PUBLIC DISCLOSURE

July 24, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The FNB Community Bank
RSSD #137447

432 West Gallatin Street
Vandalia, Illinois 62471

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

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, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

I. Institution
- a. Institution's CRA Rating 1
- b. Scope of Examination 1
- c. Description of Institution 3
- d. Conclusions with Respect to Performance Tests 5

II. Nonmetropolitan Illinois Statewide Area (full-scope review)
- a. Description of Institution's Operations in the Fayette County Assessment Area 8
- b. Conclusions with Respect to Performance Tests in the Fayette County Assessment Area 12

III. St. Louis Missouri-Illinois Multistate Metropolitan Statistical Area (full-scope review)
- a. Description of Institution's Operations in the Bond County Assessment Area.....19
- b. Conclusions with Respect to Performance Tests in the Bond County Assessment Area 22

IV. Appendices
- a. Assessment Area Detail 25
- b. Glossary 26

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

The FNB Community Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.
- A substantial majority of loans and other lending-related activities are in the assessment areas.
- Distribution of loans to borrowers reflects excellent penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses/farms of different revenue sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.
- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas. The bank has responded to these needs through community development loans, qualified investments, and community development services.
- During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act[1] Paycheck Protection Program (PPP). The bank's participation in the PPP was also considered in the bank's rating.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) intermediate small bank procedures, and the bank maintains operations in two delineated assessment areas, both of which are in the state of Illinois. The intermediate small bank examination procedures entail bank ratings under two performance tests: the Lending Test and the Community Development Test. Given the bank's assessment area composition, performance under these tests is rated at the overall institution level.

[1] Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2022.

Assessment Area	Offices		Deposits	
	#	%	$ (000s)	%
Fayette County	5	71.4%	$338,146	81.0%
Bond County	2	28.6%	$79,190	19.0%
OVERALL	**7**	**100%**	**$417,336**	**100%**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Fayette County assessment area was given primary consideration when forming ratings, as it contains the majority of the bank's loan and deposit activity.

Furthermore, small business loans, small farm loans, and residential real estate loans as reported under the Home Mortgage Disclosure Act (HMDA) were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based on lending volume and the bank's business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. While the small farm and HMDA loan products were relatively similar as related to volume of loan activity during the review period, the small business loan category was heavily influenced by the bank's aforementioned participation in the PPP during the review period. Consequently, the small business loan category received the most weight when making overall performance conclusions, followed by the small farm and HMDA loan categories, which were fairly equally weighted. Additionally, in the Bond County assessment area, the bank's limited volume of small farm and HMDA loans was not supportive of meaningful analyses. Consequently, borrower and geographic distribution performance conclusions in the Bond County assessment area are based solely on the small business loan product. The following table details the CRA performance criteria and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2018 – June 30, 2023
Assessment Area Concentration	January 1, 2021 – December 31, 2021
Geographic Distribution of Loans	January 1, 2021 – December 31, 2021
Loan Distribution by Borrower's Profile	January 1, 2021 – December 31, 2021
Response to Written CRA Complaints	March 5, 2018 – July 23, 2023
Community Development Activities	March 5, 2018 – July 23, 2023

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American

Community Survey data; certain business and farm demographics are based on 2021 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $571.7 million to $647.9 million as of June 30, 2023.

As part of the Community Development Test, the bank's performance was evaluated based on the quantitative and qualitative levels of the following activities, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews with members of the local community were utilized to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Institution's Operations* section applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

The FNB Community Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by First Vandalia Corporation, a single-bank holding company; the bank and its holding company are both headquartered in Vandalia, Illinois. The bank's branch network consists of seven offices (including the main office), all of which have drive-through accessibility and automated teller machines (ATMs) on site. In addition, the bank operates three stand-alone ATMs, one each in the cities of Vandalia, Patoka, and Greenville, Illinois. The bank did not open or close any branch offices during this review period. Based on this branch network and other service delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is adequately positioned to deliver financial services to the entireties of both assessment areas.

As previously noted, the bank operates in two CRA assessment areas, both of which are located in the state of Illinois:

- The Fayette County assessment area, which is in the Illinois nonmetropolitan statistical area (nonMSA); it includes all of Fayette County, as well as one census tract just below and contiguous to Fayette County, in the northwest corner of Marion County.

- The Bond County assessment area, which is in the St. Louis Missouri-Illinois multistate MSA (St. Louis MSA); it is comprised of Bond County, Illinois.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of March 31, 2023, the bank reported total assets of $489.7 million. As of the same date, loans and leases outstanding were $237.5 million (48.5 percent of total assets), and deposits totaled $434.9 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of March 31, 2023

Credit Category	Amount ($000s)	Percentage of Total Loans
Construction and Development	$3,469	1.5%
Commercial Real Estate	$68,294	28.8%
Multifamily Residential	$236	0.1%
1–4 Family Residential	$51,045	21.5%
Farmland	$66,119	27.8%
Farm Loans	$20,963	8.8%
Commercial and Industrial	$14,064	5.9%
Loans to Individuals	$8,437	3.6%
Total Other Loans	$4,885	2.1%
TOTAL	**$237,512**	**100%**

As indicated by the previous table, a significant portion of the bank's lending resources is directed to commercial real estate loans, farmland, and loans secured by 1–4 family residential properties. The bank also originates and subsequently sells a significant volume of its loans related to residential real estate. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by the Office of the Comptroller of the Currency on March 5, 2018.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The following table displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 22-quarter average dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of June 30, 2023**	**Average LTD Ratio**
The FNB Community Bank	Vandalia, Illinois	$475,003	60.8%
Regional Banks	Newton, Illinois	$647,931	75.4%
	Greenville, Illinois	$587,231	50.1%
	Hillsboro, Illinois	$571,677	72.0%

Based on data from the previous table, the bank's level of lending is in line with other similarly situated banks in the region. During the review period, the bank's quarterly LTD ratio was relatively stable in 2018 and 2019 before starting a decreasing trend in 2020 that lasted through the first quarter of 2022. More recently, the bank's LTD ratio has been increasing slightly since March of 2022. Peer banks had similar LTD ratio trends, and all banks in the analysis had lower LTD ratios at the end of the review period compared to the start of the review period. The bank's 22-quarter average of 60.8 percent is within the range of regional banks that averaged between 50.1 percent to 75.4 percent. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment areas.

Lending Inside and Outside of Assessment Areas January 1, 2021 through December 31, 2021						
Loan Type	**Inside Assessment Areas**		**Outside Assessment Areas**		**TOTAL**	
Small Business	143	89.4%	17	10.6%	160	**100%**
	3,854	81.2%	894	18.8%	$4,748	**100%**
Small Farm	72	87.8%	10	12.2%	82	**100%**
	7,142	91.6%	655	8.4%	$7,797	**100%**
HMDA	87	87.9%	12	12.1%	99	**100%**
	7,882	77.9%	2,242	22.1%	$10,124	**100%**
TOTAL LOANS	**302**	**88.6%**	**39**	**11.4%**	**341**	**100%**
	18,878	**83.3%**	**3,791**	**16.7%**	**$22,669**	**100%**

A substantial majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 88.6 percent of the total loans were made inside the assessment areas, accounting for 83.3 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is excellent, based on the analyses of lending in both assessment areas.

Assessment Area	Loan Distribution by Borrower's Profile
Fayette County	Excellent
Bond County	Excellent
OVERALL	**EXCELLENT**

As displayed in the following table, the bank's overall distribution of lending by income level of census tract reflects reasonable penetration throughout both of the bank's assessment areas.

Assessment Area	Geographic Distribution of Loans
Fayette County	Reasonable
Bond County	Reasonable
OVERALL	**REASONABLE**

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (March 5, 2018 through July 23, 2023).

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated satisfactory. The bank demonstrates adequate responsiveness to the community development needs of both Illinois assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas.

Assessment Area	Community Development Test Performance Conclusions
Fayette County	Adequate
Bond County	Adequate
OVERALL	**ADEQUATE**

The bank's community development responsiveness is adequate given its level of community development activities. During the review period, the bank made 28 community development loans in its assessment areas totaling $12.9 million. Of those loans, the largest by dollar amount was to a post-secondary education institution to obtain capital and improve infrastructure, attracting/retaining residents and businesses in a moderate-income area. Many other loans were to help small businesses operate/expand in moderate-income areas, supporting both economic development and revitalization/stabilization purposes in the bank's assessment areas. Furthermore, the bank also originated one large loan close to but outside of its assessment areas within the state of Illinois to fund a start-up convenience mart that will help revitalize/stabilize a moderate-income area. And lastly, the bank made 97 PPP loans in 2020 totaling $3.4 million, which helped revitalize/stabilize moderate-income areas in the bank's assessment areas.

The bank also made community development investments in its assessment areas totaling $10.7 million. This amount included 47 new investments totaling $10.2 million, as well as eight continuing investments made in a prior review period totaling $552,740. The substantial majority of these investments were municipal bonds issued by school districts with a majority of students qualifying for free or reduced lunch benefits. Similarly, the bank made 185 donations totaling $54,245 to numerous organizations with a primary purpose in community services, most of which were to schools and related organizations with a majority of students qualifying for free or reduced lunch benefits.

Bank employees did not provide any community development services in the Bond County assessment area during the review period; however, employees provided 65 hours of bank-related services to eight different organizations in the Fayette County assessment area. Examples of these services include making banking/finance education presentations at schools attended by a majority of LMI students, as well as providing bookkeeping services at fundraising events for community service organizations.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

NONMETROPOLITAN ILLINOIS STATEWIDE AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE FAYETTE COUNTY ASSESSMENT AREA

Bank Structure

The bank operates five of its seven branches (71.4 percent) in this assessment area, along with two stand-alone ATMs. Four of five branches are in Fayette County, while one branch and one stand-alone ATM are in the contiguous county of Marion. Of the five branches, two are located in moderate-income census tracts. During this review period, the bank did not open or close any branches in this assessment area, and based on this branch network and other service delivery systems, the bank is adequately positioned to deliver financial services to the entire assessment area.

General Demographics

The bank's Fayette County assessment area is comprised of Fayette County in its entirety (7 census tracts) and 1 of 12 census tracts from the contiguous county of Marion. The assessment area had a population of 24,726 and is located in a rural portion of central Illinois, just east of the St. Louis MSA. Vandalia, where the bank is headquartered, is the largest city in the assessment area, and it is also the county seat.

This assessment area is in a relatively competitive banking market, and the bank ranks first of 18 total financial institutions, having a deposit market share of 21.0 percent within Fayette and Marion counties. In addition, the primarily rural assessment area has a mix of agricultural, business, and consumer credit needs. However, specific credit needs in the assessment area, as noted primarily by a community contact, include banking options as alternatives to predatory lenders for the unbanked population, as well as flexible lending options specific to down payment and debt-to-income ratio requirements for struggling farmers. Furthermore, considering the needs of the population in the assessment area, along with the available sources of community development intermediaries such as nonprofit agencies and government assistance entities, there is a sufficient level of community development opportunity for financial institution participation.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	3	5	0	0	**8**
	0.0%	37.5%	62.5%	0.0%	0.0%	**100%**
Family Population	0	1,769	4,351	0	0	**6,120**
	0.0%	28.9%	71.1%	0.0%	0.0%	**100%**

As shown above, there are no low-income or upper-income census tracts in this assessment area, and three of eight (37.5 percent) assessment area geographies are moderate-income census tracts, where 28.9 percent of the assessment area family population resides. Two of the three moderate-income census tracts make up the southern portion of the city of Vandalia and the area continuing south of the city in the southwestern quadrant of Fayette County; the third moderate-income census tract is in the far northeastern corner of Fayette County.

Based on 2015 ACS data, the median family income for the assessment area was $52,531. At the same time, median family income for nonMSA Illinois was $59,323. More recently, the FFIEC estimates the 2021 median family income for nonMSA Illinois to be $66,700. The following table displays population percentages of assessment area families by income level compared to the nonMSA Illinois family population.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	1,422	1,300	1,201	2,197	6,120
	23.2%	21.2%	19.6%	35.9%	100%
NonMSA Illinois	78,116	70,252	83,510	153,709	385,587
	20.3%	18.2%	21.7%	39.9%	100%

As shown in the table above, 44.4 percent of families within the assessment area were considered LMI, which is above the nonMSA Illinois LMI family level of 38.5 percent. In addition, the percentage of families living below the poverty level in the assessment area, 12.6 percent, is above the nonMSA Illinois figure of 10.4 percent. When considering income and poverty levels, the assessment area appears to be less affluent than nonMSA Illinois overall.

Housing Demographics

Housing in the assessment area is more affordable compared to nonMSA Illinois overall, as evidenced by data in the following table. Homeownership is more affordable, based on a lower median housing value ($82,043 versus $93,478) and a higher affordability ratio (55.2 percent versus 49.0 percent). Similarly, the median rent figure in the assessment area ($579) is less than the nonMSA Illinois figure ($604).

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$82,043	55.2%	$579
NonMSA Illinois	$93,478	49.0%	$604

Industry and Employment Demographics

The assessment area supports a diverse business community, including strong small business and small farm sectors. According to the Bureau of Labor Statistics (BLS), there are 14,410 private-sector paid employees and 2,082 government employees in the assessment area. By percentage of nongovernment employees, the three largest industry sectors in the assessment area are manufacturing (18.7 percent), healthcare and social assistance (17.8 percent), and retail trade (13.8 percent). Furthermore, Dun & Bradstreet estimates there are approximately 606 businesses in the assessment area (87.5 percent small businesses) and 68 farms (98.5 percent small farms). The table below details unemployment data from the U.S. Department of Labor, BLS (not seasonally adjusted) for the assessment area and nonMSA Illinois.

Unemployment Rates					
Dataset	**2018**	**2019**	**2020**	**2021**	**2022**
Assessment Area	5.0%	4.2%	8.7%	5.7%	4.5%
NonMSA Illinois	4.9%	4.2%	7.8%	5.2%	4.2%

As shown in the table above, unemployment levels in the assessment area were either at or just slightly above nonMSA Illinois unemployment rates during the review period. Both areas saw significant increases in 2020 due to the COVID-19 pandemic, but the assessment area saw a greater increase in unemployment in 2020. However, the assessment area and nonMSA Illinois overall have seen significant decreases in unemployment rates since 2020, and both have since fallen below pre-pandemic levels.

Community Contact Information

For this assessment area, one community contact interview with an individual specializing in agricultural-related credit services was referenced as part of this evaluation. The contact characterized the area as rural and generally poor. Furthermore, the contact noted that while unemployment is typically low, the area still suffers from population loss, lack of higher paying/quality employment opportunities, a need for affordable housing, and suppressed dairy prices that have perennially hurt dairy farmers in the area. Notwithstanding the challenges just mentioned, the agricultural strengths in the area include excellent interstate access, strong returns from grain and livestock production, and CARES Act assistance that benefitted farmers during the COVID-19 pandemic.

Similarly, farming/agribusiness is the dominant industry in the area, as regional farms have been in families for generations. Given these circumstances, starting new farms is challenging due to the lack of available farming acreage for sale. These demographics have been relatively static, save for slow population loss due to residents leaving for St. Louis to find better job opportunities.

While the interview focused on farm-related lending, the contact noted a strong demand for home mortgage loans in the area, and while banking competition was generally strong, there is still a need to reach an unbanked segment in the community to preempt predatory credit channels. Other credit/community development needs in the area include flexible credit options for small farmers (needing down payment assistance and/or debt-to-income ratio relief), particularly dairy farmers.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE FAYETTE COUNTY ASSESSMENT AREA

LENDING TEST

The distribution of loans reflects excellent penetration among businesses/farms of different sizes and borrowers of different income levels. Similarly, the geographic distribution of loans reflects reasonable penetration throughout the assessment area.

<u>Loan Distribution by Borrower's Profile</u>

Overall, the bank's loan distribution by borrower's profile is excellent, based on excellent performance in two of three loan categories, including small business loans, which carried the most weight.

The analysis included a review of the bank's lending to businesses of different sizes within the assessment area. The following table displays the bank's lending levels to businesses of different sizes by loan amount and business revenue size, as compared to Dun & Bradstreet demographics and aggregate small business lending data.

<table>
<tr><th colspan="10">Small Business Loans by Revenue and Loan Size
Assessment Area: Fayette County</th></tr>
<tr><th colspan="3" rowspan="4">Business Revenue and Loan Size</th><th colspan="7">2021</th></tr>
<tr><th colspan="3">Count</th><th colspan="3">Dollars</th><th rowspan="2">Total Businesses</th></tr>
<tr><th colspan="2">Bank</th><th>Aggregate</th><th colspan="2">Bank</th><th>Aggregate</th></tr>
<tr><th>#</th><th>%</th><th>%</th><th>$ (000s)</th><th>$ %</th><th>$ %</th><th>%</th></tr>
<tr><td colspan="2" rowspan="3">Business Revenue</td><td>$1 Million or Less</td><td>102</td><td>83.6%</td><td>44.5%</td><td>$2,146</td><td>67.9%</td><td>34.7%</td><td>87.5%</td></tr>
<tr><td>Over $1 Million/ Unknown</td><td>20</td><td>16.4%</td><td>55.5%</td><td>$1,014</td><td>32.1%</td><td>65.3%</td><td>12.5%</td></tr>
<tr><td>TOTAL</td><td>122</td><td>100.0%</td><td>100.0%</td><td>$3,160</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td colspan="2" rowspan="5">Loan Size</td><td>$100,000 or Less</td><td>117</td><td>95.9%</td><td>94.5%</td><td>$2,076</td><td>65.7%</td><td>44.4%</td><td rowspan="10"></td></tr>
<tr><td>$100,001– $250,000</td><td>4</td><td>3.3%</td><td>2.0%</td><td>$584</td><td>18.5%</td><td>10.7%</td></tr>
<tr><td>$250,001–
$1 Million</td><td>1</td><td>0.8%</td><td>3.5%</td><td>$500</td><td>15.8%</td><td>45.0%</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0%</td><td>0.0%</td><td>$0</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>122</td><td>100.0%</td><td>100.0%</td><td>$3,160</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td rowspan="5">Loan Size</td><td rowspan="5">Revenue $1 Million or Less</td><td>$100,000 or Less</td><td>100</td><td>98.0%</td><td rowspan="5"></td><td>$1,473</td><td>68.6%</td><td rowspan="5"></td></tr>
<tr><td>$100,001–$250,000</td><td>1</td><td>1.0%</td><td>$173</td><td>8.1%</td></tr>
<tr><td>$250,001–
$1 Million</td><td>1</td><td>1.0%</td><td>$500</td><td>23.3%</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0%</td><td>$0</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>102</td><td>100.0%</td><td>$2,146</td><td>100.0%</td></tr>
</table>

The bank's level of lending to small businesses is excellent. The bank originated a substantial majority of its small business loans (83.6 percent) to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 87.5 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2021 aggregate lending level to small businesses is 44.5 percent.

Next, small farm loans were reviewed to determine the bank's lending levels to farms of different sizes. The following table shows the distribution of 2021 small farm loans by loan amount and farm revenue size compared to Dun & Bradstreet demographics and aggregate small farm lending data.

Small Farm Loans by Revenue and Loan Size Assessment Area: Fayette County									
Business Revenue and Loan Size			2021						
			Count			Dollars			Total Farms
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$ %	$ %	%
Farm Revenue		$1 Million or Less	26	38.2%	32.9%	$3,328	51.5%	67.0%	98.5%
		Over $1 Million/ Unknown	42	61.8%	67.1%	$3,137	48.5%	33.0%	1.5%
		TOTAL	**68**	**100.0%**	**100.0%**	**$6,465**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	45	66.2%	82.3%	$1,805	27.9%	29.6%	
		$100,001–$250,000	18	26.5%	8.9%	$3,024	46.8%	20.8%	
		$250,001–$500,000	5	7.4%	8.9%	$1,636	25.3%	49.6%	
		Over $500,000	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**68**	**100.0%**	**100.0%**	**$6,465**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or Less	15	57.7%		$731	22.0%		
		$100,001–$250,000	7	26.9%		$1,341	40.3%		
		$250,001–$1 Million	4	15.4%		$1,256	37.7%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	**26**	**100.0%**		**$3,328**	**100.0%**		

The bank's level of lending to small farms is reasonable. The bank originated 38.2 percent of small farm loans to farms with annual revenues of $1 million or less, which is above the aggregate lending level (32.9 percent) and below the demographic estimate of small farms in the assessment area (98.5 percent), reflecting reasonable performance overall.

HMDA loans were reviewed to determine the bank's lending to borrowers of different income levels. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($66,700 for nonMSA Illinois as of 2021).

The following table shows the distribution of HMDA reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, the 2021 HMDA aggregate data for the assessment area is displayed.

Borrower Distribution of HMDA Loans Assessment Area: Fayette County							
Borrower Income Levels	2021						
	Count			Dollars			Families by Income Level
	Bank		HMDA Aggregate	Bank		HMDA Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Home Purchase							
Low	11	22.0%	13.7%	$649	15.4%	7.2%	23.2%
Moderate	8	16.0%	23.0%	$639	15.1%	19.4%	21.2%
Middle	19	38.0%	21.6%	$1,849	43.8%	20.2%	19.6%
Upper	9	18.0%	22.7%	$675	16.0%	35.0%	35.9%
Unknown	3	6.0%	19.1%	$413	9.8%	18.2%	0.0%
TOTAL	**50**	**100.0%**	**100.0%**	**$4,225**	**100.0%**	**100.0%**	**100.0%**
Refinance							
Low	4	13.8%	5.9%	$157	5.3%	2.7%	23.2%
Moderate	6	20.7%	14.7%	$209	7.0%	9.3%	21.2%
Middle	8	27.6%	28.2%	$970	32.5%	24.0%	19.6%
Upper	11	37.9%	41.0%	$1,651	55.3%	52.8%	35.9%
Unknown	0	0.0%	10.3%	$0	0.0%	11.2%	0.0%
TOTAL	**29**	**100.0%**	**100.0%**	**$2,987**	**100.0%**	**100.0%**	**100.0%**
Home Improvement							
Low	1	100.0%	33.3%	$33	100.0%	21.9%	23.2%
Moderate	0	0.0%	66.7%	$0	0.0%	78.1%	21.2%
Middle	0	0.0%	0.0%	$0	0.0%	0.0%	19.6%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	35.9%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**1**	**100.0%**	**100.0%**	**$33**	**100.0%**	**100.0%**	**100.0%**
Multifamily Dwelling							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	23.2%
Moderate	1	100.0%	50.0%	$134	100.0%	36.8%	21.2%
Middle	0	0.0%	0.0%	$0	0.0%	0.0%	19.6%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	35.9%
Unknown	0	0.0%	50.0%	$0	0.0%	63.2%	0.0%
TOTAL	**1**	**100.0%**	**100.0%**	**$134**	**100.0%**	**100.0%**	**100.0%**
Total HMDA Loans							
Low	16	19.8%	9.7%	$839	11.4%	4.8%	23.2%
Moderate	15	18.5%	19.2%	$982	13.3%	14.3%	21.2%
Middle	27	33.3%	24.1%	$2,819	38.2%	22.0%	19.6%
Upper	20	24.7%	31.7%	$2,326	31.5%	44.1%	35.9%
Unknown	3	3.7%	15.3%	$413	5.6%	14.9%	0.0%
TOTAL	**81**	**100.0%**	**100.0%**	**$7,379**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's level of total HMDA lending to low-income borrowers (19.8 percent) is substantially above the HMDA aggregate lending level to low-income borrowers (9.7 percent) and within close range of the low-income family population figure (23.2 percent), reflecting excellent performance. The bank's level of lending to moderate-income borrowers (18.5 percent) is slightly below the aggregate lending level to moderate-income borrowers (19.2 percent) and the assessment area demographic estimate of moderate-income families (21.2 percent) and is considered reasonable. Therefore, the bank's overall distribution of HMDA loans by borrower's profile is excellent, as driven by excellent lending to low-income borrowers.

Geographic Distribution of Loans

As noted previously, the Fayette County assessment area includes three moderate-income census tracts and five middle-income census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these geographies for all three loan product types reviewed. In addition, the lending activity dispersion analysis revealed that the bank made loans in all assessment area geographies; therefore, there were no conspicuous lending gaps revealed.

The following table displays 2021 small business loan activity by geography income level as compared to aggregate small business lending data and Dun & Bradstreet business demographics.

Geographic Distribution of Small Business Loans Assessment Area: Fayette County							
Geography Income Level	2021						
	Count			Dollars			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	36	29.5%	25.5%	$632	20.0%	22.8%	34.5%
Middle	86	70.5%	73.0%	$2,528	80.0%	77.0%	65.5%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	1.5%	$0	0.0%	0.2%	0.0%
TOTAL	**122**	**100.0%**	**100.0%**	**$3,160**	**100.0%**	**100.0%**	**100.0%**

The bank's level of small business loans in moderate-income census tracts (29.5 percent) is above the aggregate lending level in moderate-income census tracts (25.5 percent) but below the estimated percentage of businesses operating in those assessment area geographies (34.5 percent), reflecting reasonable performance.

Secondly, the following table displays small farm loan activity by geography income level as compared to aggregate small farm lending data and Dun & Bradstreet farm demographics.

Geographic Distribution of Small Farm Loans Assessment Area: Fayette County							
Geography Income Level	2021						
	Count			Dollars			Farms
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	20	29.4%	25.3%	$2,009	31.1%	18.4%	20.6%
Middle	48	70.6%	74.7%	$4,456	68.9%	81.6%	79.4%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**68**	**100.0%**	**100.0%**	**$6,465**	**100.0%**	**100.0%**	**100.0%**

Overall, the bank's geographic distribution of small farm loans is reasonable, as bank performance is substantially similar to the performance of other lenders based on aggregate lending data. During the review period, the bank's level of small farm loans made in moderate-income census tracts was 29.4 percent; in comparison, the aggregate lending level in moderate-income census tracts was 25.3 percent, and the estimated percentage of farms operating in those assessment area geographies was 20.6 percent.

Next, the following table displays the bank's geographic distribution of 2021 HMDA loans compared to aggregate HMDA lending levels and owner-occupied housing demographics for the assessment area.

Geographic Distribution of HMDA Loans Assessment Area: Fayette County							
Geography Income Level	2021						
	Count			Dollars			Owner Occupied/ Multifamily Units
	Bank		HMDA Aggregate	Bank		HMDA Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Home Purchase							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	17	34.0%	29.5%	$1,290	30.5%	25.2%	28.4%
Middle	33	66.0%	70.5%	$2,935	69.5%	74.8%	71.6%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**50**	**100.0%**	**100.0%**	**$4,225**	**100.0%**	**100.0%**	**100.0%**
Refinance							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	7	24.1%	25.3%	$453	15.2%	21.1%	28.4%
Middle	22	75.9%	74.7%	$2,534	84.8%	78.9%	71.6%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**29**	**100.0%**	**100.0%**	**$2,987**	**100.0%**	**100.0%**	**100.0%**
Home Improvement							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	1	100.0%	33.3%	$33	100.0%	21.9%	28.4%
Middle	0	0.0%	66.7%	$0	0.0%	78.1%	71.6%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**1**	**100.0%**	**100.0%**	**$33**	**100.0%**	**100.0%**	**100.0%**
Multifamily Dwelling							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	1	100.0%	100.0%	$134	100.0%	100.0%	55.1%
Middle	0	0.0%	0.0%	$0	0.0%	0.0%	44.9%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**1**	**100.0%**	**100.0%**	**$134**	**100.0%**	**100.0%**	**100.0%**
Total HMDA Loans							
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	26	32.1%	27.8%	$1,910	25.9%	23.4%	28.4%
Middle	55	67.9%	72.2%	$5,469	74.1%	76.6%	71.6%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**81**	**100.0%**	**100.0%**	**$7,379**	**100.0%**	**100.0%**	**100.0%**

The bank's total HMDA loan penetration in moderate-income census tracts by number of loans (32.1 percent) is above both the HMDA aggregate lending level (27.8 percent) and the demographic estimate of owner-occupied housing units in moderate-income geographies (28.4 percent), reflecting excellent performance.

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates reasonable responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area. The bank addressed the community development needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank made 21 community development loans totaling $5.2 million in the assessment area. Many of these loans were for economic development and supported small businesses, which also helped revitalize/stabilize moderate-income areas. For example, the bank made a loan to a small business that used the proceeds to purchase commercial real estate in a moderate-income census tract for redevelopment purposes. Plans call for the rehabbed property to house two new businesses. In addition, the bank made 76 PPP loans in 2020 totaling $2.8 million, which helped revitalize/stabilize moderate-income geographies in this assessment area.

As of this CRA evaluation, the bank had approximately $3.8 million in community development investments in this assessment area. This amount included $326,740 from prior-period investments that remain in the bank's portfolio plus $3.4 million in investments made in the current review period. The substantial majority of these investments were municipal bonds issued by school districts with a majority of students qualifying for free or reduced lunch benefits. Similarly, the bank made 138 donations totaling $46,145 to numerous organizations with a primary purpose in community services, most of which were schools and related organizations with a majority of students qualifying for free or reduced lunch benefits.

Bank employees provided 65 hours of bank-related services to eight different organizations. Examples of these services include making banking/finance education presentations at schools attended by a majority of LMI students, as well as providing bookkeeping services at fundraising events for community service organizations.

ST. LOUIS MISSOURI-ILLINOIS MULTISTATE METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE BOND COUNTY ASSESSMENT AREA

Bank Structure

The bank operates two of its seven branches (28.6 percent) and one stand-alone ATM in this assessment area. Of the two branches, one is located in a moderate-income census tract, while the other is in a middle-income census tract. During this review period, the bank did not open or close any branches in this assessment area, and based on this branch network and other service delivery systems, the bank is adequately positioned to deliver financial services to the entire assessment area.

General Demographics

The bank's Bond County assessment area is located within the St. Louis MSA. The St. Louis MSA includes seven counties in Missouri and eight counties in Illinois, and the bank's assessment area includes one Illinois county, Bond County, in its entirety. This rural county is located in the eastern-most portion of the St. Louis MSA, and the county seat, Greenville, Illinois, is approximately 50 miles east of downtown St. Louis. Bond County is contiguous to the bank's other assessment area in nonMSA Illinois, and it had a population of 17,313.

This assessment area is in a relatively competitive banking market, and the bank ranks second of five total financial institutions, having a deposit market share of 18.5 percent within Bond County. In addition, the primarily rural assessment area has a mix of agricultural, business, and consumer credit needs. One specific credit need mentioned by a community contact in the assessment area is a credit conduit for small businesses, facilitating access to capital for start-up, as well as ongoing expenses. Considering the needs of the population in the assessment area, along with the available sources of community development intermediaries, such as nonprofit agencies and government assistance entities, there is a sufficient level of community development opportunity for financial institution participation.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	**TOTAL**
Census Tracts	0	1	3	0	0	**4**
	0.0%	25.0%	75.0%	0.0%	0.0%	**100%**
Family Population	0	1,227	2,830	0	0	**4,057**
	0.0%	30.2%	69.8%	0.0%	0.0%	**100%**

As shown above, there are no low-income or upper-income census tracts in this assessment area, and one of four (25.0 percent) assessment area geographies is a moderate-income census tract, where 30.2 percent of the assessment area family population resides. This moderate-income geography is centrally located in Bond County, bordered to the south by the major interstate bisecting the county, and it is largely comprised of the City of Greenville.

Based on 2015 ACS data, the median family income for the assessment area was $62,175. At the same time, median family income for the St. Louis MSA was $70,718. More recently, the FFIEC estimates the 2021 median family income for St. Louis MSA to be $84,700. The following table displays population percentages of assessment area families by income level compared to the St. Louis MSA family population.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	1,003	819	943	1,292	**4,057**
	24.7%	20.2%	23.2%	31.9%	**100%**
St. Louis MSA	155,627	125,318	144,204	294,177	**719,326**
	21.6%	17.4%	20.1%	40.9%	**100%**

As shown in the table above, 44.9 percent of families within the assessment area were considered LMI, which is above the St. Louis MSA LMI family level of 39.0 percent. In addition, the percentage of families living below the poverty level in the assessment area, 10.6 percent, is above the St. Louis MSA figure of 9.6 percent. Lastly, the percentage of upper-income families in the assessment area (31.8 percent) is smaller than the percentage of upper-income families in the entire MSA (40.9 percent). Considering these factors, the assessment area appears to be less affluent than the St. Louis MSA overall.

Housing Demographics

Homeownership in the assessment area is significantly more affordable than in the St. Louis MSA, as evidenced by data in the table below. Median housing value in the assessment area ($106,903) is significantly lower than in the St. Louis MSA ($157,100). Similarly, the median rent figure in the assessment area ($608) is less than the St. Louis MSA figure ($815). Finally, the assessment area has a higher affordability ratio (44.9 percent) than the St. Louis MSA (35.1 percent).

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$106,903	44.9%	$608
St. Louis MSA	$157,100	35.1%	$815

Industry and Employment Demographics

The assessment area supports a diverse business community with a focus on small farms and a significant small business sector. According to the BLS, there are 3,359 private-sector paid employees and 956 government employees in the assessment area. By percentage of nongovernment employees, the three largest industry sectors in the assessment area are manufacturing (21.4 percent), wholesale trade (12.9 percent), and retail trade (12.1 percent). Furthermore, Dun & Bradstreet estimates that there are approximately 489 businesses in the assessment area (91.2 percent small businesses) and 88 farms (100.0 percent small farms). The table below details unemployment data from the U.S. Department of Labor, BLS (not seasonally adjusted) for the assessment area and the St. Louis MSA.

Unemployment Rates					
Dataset	**2018**	**2019**	**2020**	**2021**	**2022**
Assessment Area	4.3%	3.7%	7.0%	4.6%	3.8%
St. Louis MSA	3.4%	3.2%	6.8%	4.4%	2.8%

As shown in the table above, unemployment levels in the assessment area have been consistently higher than in the St. Louis MSA, particularly in 2022, when 100 basis points separated the averages for the two areas. Both areas saw significant increases in 2020 due to the COVID-19 pandemic, but based on this information, the assessment area was impacted less than the MSA overall.

Community Contact Information

For this assessment area, one community contact interview with an individual representing an organization that promotes economic growth and small business development was referenced as part of this evaluation. The contact indicated that Bond County does not keep pace economically with the region, as jobs in the county are not typically competitive wage-wise compared to what employers offer closer to St. Louis. The contact also characterized the county as primarily rural, with most areas lacking access to high-speed internet. Other key details mentioned by the contact include the assertion that Bond County did not appear to be hit as hard by the COVID-19 pandemic as surrounding areas and that housing in the county is older but generally in satisfactory condition. This older housing stock, coupled with an absence of residential development, poses challenges to attracting and retaining a workforce.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE BOND COUNTY ASSESSMENT AREA

LENDING TEST

As previously noted, the bank did not have a large enough volume of small farm or HMDA loans in this assessment area to form meaningful conclusions. Therefore, borrower and geographic distribution performance conclusions in this assessment area were based solely on the small business loan product. Based on the analyses of small business lending, the distribution of loans reflects excellent penetration among businesses of different sizes, and the geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

The bank's loan distribution by borrower's profile is excellent, based on the analysis of small business loans. The following table displays the bank's lending levels to businesses of different sizes by loan amount and business revenue size as compared to Dun & Bradstreet demographics and aggregate small business lending data.

<table>
<tr><th colspan="10">Small Business Loans by Revenue and Loan Size
Assessment Area: Bond County</th></tr>
<tr><th colspan="3" rowspan="4">Business Revenue and Loan Size</th><th colspan="7">2021</th></tr>
<tr><th colspan="3">Count</th><th colspan="3">Dollars</th><th rowspan="2">Total Businesses</th></tr>
<tr><th colspan="2">Bank</th><th>Aggregate</th><th colspan="2">Bank</th><th>Aggregate</th></tr>
<tr><th>#</th><th>%</th><th>%</th><th>$ (000s)</th><th>$ %</th><th>$ %</th><th>%</th></tr>
<tr><td colspan="2" rowspan="3">Business Revenue</td><td>$1 Million or Less</td><td>18</td><td>85.7%</td><td>47.0%</td><td>$488</td><td>70.3%</td><td>37.4%</td><td>91.2%</td></tr>
<tr><td>Over $1 Million/ Unknown</td><td>3</td><td>14.3%</td><td>53.0%</td><td>$206</td><td>29.7%</td><td>62.6%</td><td>8.8%</td></tr>
<tr><td>TOTAL</td><td>21</td><td>100.0%</td><td>100.0%</td><td>$694</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td colspan="2" rowspan="5">Loan Size</td><td>$100,000 or Less</td><td>19</td><td>90.5%</td><td>95.1%</td><td>$431</td><td>62.1%</td><td>40.3%</td><td rowspan="10"></td></tr>
<tr><td>$100,001–$250,000</td><td>2</td><td>9.5%</td><td>1.8%</td><td>$263</td><td>37.9%</td><td>11.6%</td></tr>
<tr><td>$250,001–$1 Million</td><td>0</td><td>0.0%</td><td>3.0%</td><td>$0</td><td>0.0%</td><td>48.1%</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0%</td><td>0.0%</td><td>$0</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>21</td><td>100.0%</td><td>100.0%</td><td>$694</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td rowspan="5">Loan Size</td><td rowspan="5">Revenue $1 Million or Less</td><td>$100,000 or Less</td><td>17</td><td>94.4%</td><td rowspan="5"></td><td>$328</td><td>67.2%</td><td rowspan="5"></td></tr>
<tr><td>$100,001–$250,000</td><td>1</td><td>5.6%</td><td>$160</td><td>32.8%</td></tr>
<tr><td>$250,001–$1 Million</td><td>0</td><td>0.0%</td><td>$0</td><td>0.0%</td></tr>
<tr><td>Over $1 Million</td><td>0</td><td>0.0%</td><td>$0</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>18</td><td>100.0%</td><td>$488</td><td>100.0%</td></tr>
</table>

The bank's level of lending to small businesses is excellent. The bank originated a substantial majority of its small business loans (85.7 percent) to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that 91.2 percent of businesses in the assessment area had annual revenues of $1 million or less, and the 2021 aggregate lending level to small businesses is 47.0 percent.

Geographic Distribution of Loans

As noted previously, the Bond County assessment area includes zero low-income and one moderate-income census tract, representing 25.0 percent of assessment area census tracts. As displayed in the following table, the geographic distribution of small business loans reflects reasonable penetration in the moderate-income census tract as compared to aggregate small business lending data and Dun & Bradstreet business demographics.

Geographic Distribution of Small Business Loans Assessment Area: Bond County							
Geography Income Level	**2021**						
	Count			**Dollars**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	7	33.3%	32.9%	$425	61.2%	15.5%	43.6%
Middle	14	66.7%	66.5%	$269	38.8%	84.5%	56.4%
Upper	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.6%	$0	0.0%	0.1%	0.0%
TOTAL	**21**	**100.0%**	**100.0%**	**$694**	**100.0%**	**100.0%**	**100.0%**

The bank's level of small business loans in the moderate-income census tract (33.3 percent) is above the aggregate lending level (32.9 percent) but below the estimated percentage of businesses operating in the assessment area's moderate-income geography (43.6 percent), reflecting reasonable performance.

COMMUNITY DEVELOPMENT TEST

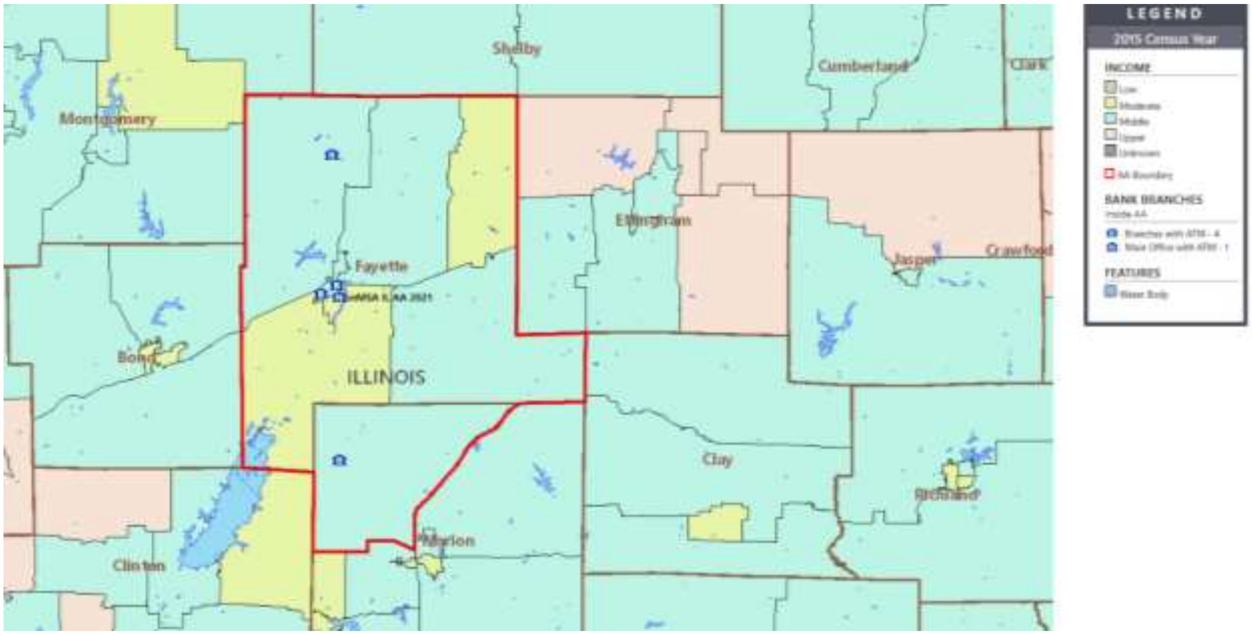
The bank's overall community development performance demonstrates reasonable responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area. The bank has addressed the community development needs of the assessment area through community development loans and qualified investments.

During the review period, the bank extended seven community development loans totaling $7.6 million in the assessment area. Three of these loans were to improve and expand operations at a university located in a moderate-income census tract, and four loans were to a small township, supporting city operations in a moderate-income area. In addition, the bank made 21 PPP loans in 2020 totaling over $600,000. All of these loans helped revitalize/stabilize the moderate-income geography in this assessment area.

As of this CRA evaluation, the bank had a total of approximately $7.0 million in community development investments in this assessment area. This amount included $226,000 from prior-period investments that remain in the bank's portfolio plus $6.8 million in investments made in the current review period. The majority of these investments were municipal bonds issued by school districts with a majority of students qualifying for free or reduced lunch benefits, and oftentimes these investments were also made for improvements to schools located in a moderate-income area. Similarly, the bank made 47 donations totaling $8,100 to numerous organizations that either had a primary purpose in community services (such as schools and related organizations with a majority of students qualifying for free or reduced lunch benefits) or to entities providing core services to attract/retain businesses and residents in moderate-income areas.

ASSESSMENT AREA DETAIL

<u>Fayette County Assessment Area</u>



<u>Bond County Assessment Area</u>

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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 nonrelatives 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 who do 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 income of applicants; the amount of loan requested; and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 metropolitan area/assessment area.

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area. (See metropolitan area.)

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

Rated area: A rated area is a state or multistate metropolitan 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports 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.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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