PUBLIC DISCLOSURE

March 8, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Exchange Bank of Northeast Missouri
RSSD #2747466

268 North Johnson Street
Kahoka, Missouri 63445

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.**

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

Exchange Bank of Northeast Missouri (Exchange Bank) meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. 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 majority of loans and other lending-related activities are in the assessment areas.

- Distribution of loans to borrowers reflects excellent penetration among farms and businesses of different revenue sizes and individuals of different income levels (including low- and moderate-income [LMI]).

- 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.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) small bank procedures. The bank operates within two separate assessment areas; both are located in northeastern Missouri. One assessment area includes the full counties of Schuyler, Scotland, and Clark and borders the states of Iowa and Illinois. The other assessment area includes the full counties of Shelby and Marion, which are located south of the other assessment area, bordering the state of Illinois. Both assessment areas are located in the nonmetropolitan statistical area (NonMSA) portion of Missouri.

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, 2020.

Assessment Area	Offices		Deposits as of December 31, 2020		Assessment Area Reviews		
	#	%	$ (000s)	%	Full Scope	Limited Scope	TOTAL
Schuyler-Scotland-Clark	5	71.4%	$116,948	71.5%	1	0	**1**
Shelby-Marion	2	28.6%	$46,539	28.5%	0	1	**1**
OVERALL	**7**	**100%**	**$163,487**	**100%**	**1**	**1**	**2**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Schuyler-Scotland-Clark Assessment Area received primary consideration, as it contains the majority of the bank's loan and deposit activity.

Small farm, small business, and residential real estate loans were used to evaluate the bank's lending performance. The small farm and small business loan categories are considered the bank's core business lines, based on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Since the last examination, the bank's residential real estate loan volume has increased, so this loan product was also included in the analysis of the bank's lending. However, as the bank has a particular emphasis on small farm lending, performance based on the small farm loan category carried the most significance toward the bank's overall performance conclusions. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	September 30, 2016 – December 31, 2020
Assessment Area Concentration	January 1, 2019 – December 31, 2019
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	August 8, 2016 – March 7, 2021

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain business and farm demographics are based on 2019 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 $117.4 million to $227.2 million as of December 31, 2020.

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

DESCRIPTION OF INSTITUTION

Exchange Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Lincoln County Bancorp, Inc., a five-bank holding company headquartered in Troy, Missouri. The bank itself is headquartered in Kahoka, Missouri. Its branch network consists of seven offices (including the main office), all of which are full-service facilities. All offices offer drive-up accessibility with extended service hours and have full-service automated teller machines (ATMs) on site. Further, customers can use their bank debit cards to access over 32,000 ATMs free of surcharge through MoneyPass®. Finally, the bank opened one branch office in Clark County during the review period. Based on this branch network and other service delivery systems, such as full-service online banking capabilities, the bank is well positioned to deliver financial services to its entire assessment areas.

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 December 31, 2020, the bank reported total assets of $195.8 million. As of the same date, loans and leases outstanding were $108.4 million (55.4 percent of total assets), and deposits totaled $163.5 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of December 31, 2020		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$842	0.8%
Commercial Real Estate	$9,470	8.7%
Multifamily Residential	$1,097	1.0%
1–4 Family Residential	$19,287	17.8%
Farmland	$45,655	42.1%
Farm Loans	$18,036	16.6%
Commercial and Industrial	$11,595	10.7%
Loans to Individuals	$2,322	2.1%
Total Other Loans	$97	0.1%
TOTAL	**$108,401**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to farmland/farm loans, commercial and industrial loans, and loans secured by 1–4 family residential properties.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on August 8, 2016.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank meets the standards for a satisfactory rating under the 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 table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents an 18-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of December 31, 2020**	**Average LTD Ratio**
Exchange Bank	Kahoka, Missouri	$195,826	78.3%
Regional Banks	Kahoka, Missouri	$117,438	74.4%
	Monticello, Missouri	$130,637	82.9%
	Lewistown, Missouri	$227,167	83.5%

Based on data from the previous table, the bank's level of lending is in line with that of other banks in the region. During the review period, the bank's quarterly LTD ratio fluctuated, with an 18-quarter average of 78.3 percent. In comparison, the average LTD ratios for the regional peers were similar, also following fluctuating trends. 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, 2019 through December 31, 2019						
Loan Type	**Inside Assessment Areas**		**Outside Assessment Areas**		**TOTAL**	
Small Farm	84	80.0%	21	20.0%	**105**	**100%**
	$5,798	78.1%	$1,629	21.9%	**$7,427**	**100%**
Small Business	45	75.0%	15	25.0%	**60**	**100%**
	$3,249	78.2%	$907	21.8%	**$4,156**	**100%**
1–4 Family Residential Real Estate	54	84.4%	10	15.6%	**64**	**100%**
	$2,739	73.6%	$984	26.4%	**$3,723**	**100%**
TOTAL LOANS	**183**	**79.9%**	**46**	**20.1%**	**229**	**100%**
	$11,786	**77.0%**	**$3,520**	**23.0%**	**$15,306**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 79.9 percent of the total loans were made inside the assessment areas, accounting for 77.0 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall performance by borrower's revenue/income profile is excellent based on the analyses of lending in the Schuyler-Scotland-Clark and Shelby-Marion assessment areas, as is displayed in the following table.

Assessment Area	Loan Distribution by Borrower's Profile
Schuyler-Scotland-Clark	Excellent
Shelby-Marion	Consistent
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 the bank's rated areas subject to review, with the greatest emphasis on the Schuyler-Scotland-Clark assessment area.

Assessment Area	Geographic Distribution of Loans
Schuyler-Scotland-Clark	Reasonable
Shelby-Marion	Consistent
OVERALL	**REASONABLE**

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (August 8, 2016 through March 7, 2021).

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 MISSOURI ASSESSMENT AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SCHUYLER-SCOTLAND-CLARK COUNTY ASSESSMENT AREA

Bank Structure

The bank operates five of its seven offices (71.4 percent) in this assessment area. Since the last examination, the bank opened one branch in Clark County. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to all of the assessment area.

General Demographics

The assessment area is comprised of Schuyler, Scotland, and Clark Counties in their entireties and is located in extreme northeastern Missouri, bordering the states of Iowa and Illinois. Per 2015 ACS data, the assessment area population was 16,187. Of the seven FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked first in deposit market share, encompassing 28.5 percent of total deposit dollars.

Credit needs in the assessment area include a mix of consumer, farm, and business loan products. A significant portion of the community is rural, and agricultural lending products, such as agricultural lines of credit, represent the most significant credit need in the assessment area. Other particular credit needs, as noted by community contacts, include access to small dollar consumer loans for LMI borrowers. For this assessment area, contacts also noted that housing stock is in decline, with high demand for affordable housing for LMI seniors.

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	0	7	0	0	**7**
	0%	0%	100%	0%	0.0%	**100%**
Family Population	0	0	4,275	0	0	**4,275**
	0%	0%	100%	0%	0.0%	**100%**

As shown above, the assessment area is comprised entirely of middle-income census tracts. Two of these census tracts are designated as underserved due to their remote/rural location in Scotland County, where the bank operates one of its seven branches.

Based on 2015 ACS data, the median family income for the assessment area was $50,453. At the same time, the nonMSA Missouri median family income was $48,341. More recently, the FFIEC estimates the 2019 nonMSA Missouri median family income to be $52,400. The following table displays population percentages of assessment area families by income level compared to the nonMSA Missouri family population as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Schuyler-Scotland-Clark Assessment Area	690	814	988	1,783	**4,275**
	16.1%	19.0%	23.1%	41.7%	**100%**
NonMSA Missouri	81,150	72,084	84,064	159,212	**396,510**
	20.5%	18.2%	21.2%	40.2%	**100%**

Based on the data in the preceding table, the assessment area appears slightly more affluent than nonMSA Missouri as a whole. A significant portion of families in the assessment area (35.1 percent) are considered LMI. However, the LMI family population figure is below that of nonMSA Missouri as a whole (38.7 percent). In addition, while the percentage of assessment area families living below the poverty level (12.4 percent) is below that of nonMSA Missouri as a whole (14.2 percent), both Schuyler and Scotland Counties' percentage of families below the poverty level exceed the nonMSA Missouri figure (14.3 percent and 15.5 percent, respectively).

Housing Demographics

As displayed in the following table, homeownership in the assessment area appears to be more affordable than in nonMSA Missouri as a whole.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Schuyler-Scotland-Clark Assessment Area	$82,207	50.0%	$488
NonMSA Missouri	$100,293	38.0%	$611

Median gross rents vary only slightly by county in the assessment area, from a low of $449 in Scotland County to a high of $498 in Schuyler County. Similarly, housing values range from $75,100 in Scotland County to $86,000 in Schuyler County. The affordability ratio is highest in Scotland County (53.0 percent) and lowest in Schuyler County (43.6 percent). In all cases, assessment area housing costs are well below that of nonMSA Missouri as a whole. However, while assessment area housing appears to be within reach of most of the population, including LMI residents, one community contact indicated that LMI housing stock is limited. Few houses are built each year, and potential homeowners compete for aging housing stock with area landlords seeking to expand rental offerings.

Industry and Employment Demographics

The assessment area supports strong small business and small farm sectors. According to 2019 Dun & Bradstreet data, 86.1 percent of total businesses and 100 percent of total farms in the assessment area have gross annual revenues of less than $1 million. County business patterns indicate that there are 1,867 paid employees in the assessment area. By number of employees, the three largest job categories are retail trade (504), manufacturing (223), and wholesale trade (213). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Missouri as a whole.

Unemployment Levels			
Dataset	**Time Period (Annual Average)**		
	2017	**2018**	**2019**
Schuyler-Scotland-Clark Assessment Area	4.6%	3.6%	3.6%
NonMSA Missouri	4.4%	3.7%	4.0%

As shown in the table above, unemployment levels in the assessment area have been fairly consistent with those in nonMSA Missouri as a whole. In 2017, assessment area unemployment levels were slightly higher than in nonMSA Missouri, before falling below levels in nonMSA Missouri in 2018 and 2019.

Community Contact Information

Information from two community contact interviews was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of these interviews, one was conducted with an individual specializing in housing development and the other was with an individual working in agricultural lending. The community contacts categorized the assessment area economy as declining, particularly due to the lack of new jobs, population loss, and limited level of highly skilled workers, which hinders the area from attracting new businesses and industries. Both contacts stated that many of the area residents commute to larger cities such as Kirksville, Missouri; Hannibal, Missouri; and Quincy, Illinois, for work.

One contact noted the local economy's heavy reliance on agricultural production. Scotland County, in particular, has experienced a farming boom. Farming conditions are favorable even for start-ups due to accessible transportation routes (major interstate highways and the Mississippi River), fertile farmland, and a healthy supply of grain elevators in the region, making it easy for farmers to store and sell crops. Current challenges faced by small farmers, as noted by the contact, include stringent down payment requirements for farm loans and poor credit scores, particularly among LMI borrowers.

As stated previously, one community contact indicated that affordable housing is in short supply. Increased competition for aging housing stock, down payment requirements, and poor credit histories are significant barriers for prospective LMI homeowners. The contact stated that affordable purchase loans with down payment assistance are a significant credit need, followed by small dollar mortgage loans for home repair. In addition, the area's aging population and short housing supply have resulted in a need for LMI housing for senior citizens.

Lastly, both community contacts agreed that access to banks and lending products was sufficient to serve the needs of the community. Both contacts described local banks as being engaged in the community. One contact noted a lack of community development opportunities in the area, but both indicated a need for financial literacy and education.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SCHUYLER-SCOTLAND-CLARK COUNTY ASSESSMENT AREA

The distribution of loans reflects excellent penetration among farms and businesses of different revenue sizes and borrowers of different income levels. In addition, the bank's geographic distribution of loans reflects reasonable penetration throughout the Schuyler-Scotland-Clark assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is excellent, based on performance from the three loan categories reviewed.

Small farm loans were reviewed to determine the bank's lending levels to farms of different sizes. The following table shows the distribution of 2019 small farm loans by loan amount and farm revenue size compared to Dun & Bradstreet and aggregate data.

Small Farm Loans by Revenue and Loan Size
Assessment Area: Schuyler-Scotland-Clark NonMSA, MO

Farm Revenue and Loan Size		2019						
		Count			Dollars			Total Farms
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$%	$%	%
Farm Revenue	$1 million or less	76	95.0%	59.3%	$5,126	93.2%	73.1%	100.0%
	Over $1 million/ unknown	4	5.0%	40.7%	$373	6.8%	26.9%	0.0%
	TOTAL	**80**	**100.0%**	**100.0%**	**$5,499**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or less	63	78.8%	77.0%	$1,825	33.2%	22.6%	
	$100,001–$250,000	13	16.3%	15.9%	$2,220	40.4%	37.3%	
	$250,001–$1 million	4	5.0%	7.1%	$1,454	26.4%	40.0%	
	Over $1 million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**80**	**100.0%**	**100.0%**	**$5,499**	**100.0%**	**100.0%**	
Loan Size – Revenue $1 Million or Less	$100,000 or less	61	80.3%		$1,763	34.4%		
	$100,001–$250,000	11	14.5%		$1,909	37.2%		
	$250,001–$1 million	4	5.3%		$1,454	28.4%		
	Over $1 million	0	0.0%		$0	0.0%		
	TOTAL	**76**	**100.0%**		**$5,126**	**100.0%**		

The bank's level of lending to small farms with gross revenues of $1 million or less (95.0 percent) is well above the aggregate (59.3 percent) and slightly below the demographic figure (100.0 percent). Additionally, of the bank's 76 small farm loans in 2019, 80.3 percent were made for amounts of $100,000 or less, further indicating the bank's willingness to meet the credit needs of small farms. Therefore, the bank's level of lending to small farms is excellent.

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

Small Business Loans by Revenue and Loan Size
Assessment Area: Schuyler-Scotland-Clark NonMSA, MO

Business Revenue and Loan Size			2019 Count Bank #	2019 Count Bank %	2019 Count Aggregate %	2019 Dollars Bank $ (000s)	2019 Dollars Bank $%	2019 Dollars Aggregate $%	Total Businesses %
Business Revenue		$1 million or less	37	82.2%	52.3%	$2,092	64.4%	54.8%	86.1%
Business Revenue		Over $1 million/ unknown	8	17.8%	47.7%	$1,157	35.6%	45.2%	13.9%
Business Revenue		**TOTAL**	**45**	**100.0%**	**100.0%**	**$3,249**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or less	33	73.3%	98.3%	$831	25.6%	77.8%	
Loan Size		$100,001–$250,000	9	20.0%	1.1%	$1,380	42.5%	11.1%	
Loan Size		$250,001–$1 million	3	6.7%	0.6%	$1,038	31.9%	11.1%	
Loan Size		Over $1 million	0	0.0%	0.0%	$0	0.0%	0.0%	
Loan Size		**TOTAL**	**45**	**100.0%**	**100.0%**	**$3,249**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or less	30	81.1%		$679	32.4%		
Loan Size	Revenue $1 Million or Less	$100,001–$250,000	5	13.5%		$819	39.2%		
Loan Size	Revenue $1 Million or Less	$250,001–$1 million	2	5.4%		$594	28.4%		
Loan Size	Revenue $1 Million or Less	Over $1 million	0	0.0%		$0	0.0%		
Loan Size	Revenue $1 Million or Less	**TOTAL**	**37**	**100.0%**		**$2,092**	**100.0%**		

The bank's level of lending to small businesses is excellent. The bank originated 37 of its 45 small business loans (82.2 percent) to businesses with gross annual revenues of $1 million or less. This is well above the performance of aggregate lenders (52.3 percent) and just below the Dun & Bradstreet demographic estimate (86.1 percent). Further, 81.1 percent of the bank's small business loans were originated in amounts less than $100,000, supporting the bank's willingness to meet the credit needs of small businesses.

Finally, 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 ($52,400 for the assessment area as of 2019). The following table shows the distribution of 1–4 family residential real estate loans by borrower income level in comparison to family population income demographics for the assessment area. In addition, 2019 aggregate data for the assessment area is displayed.

Borrower Distribution of Residential Real Estate Loans Assessment Area: Schuyler-Scotland-Clark NonMSA, MO							
Borrower Income Level	2019						
	Bank Loans				Families by Family Income %	Aggregate HMDA Data	
	#	%	$ (000s)	%		#%	$%
Low	3	5.7%	$88	3.2%	16.1%	3.0%	1.4%
Moderate	18	34.0%	$853	31.5%	19.0%	15.8%	9.5%
Middle	22	41.5%	$1,231	45.4%	23.1%	25.7%	21.7%
Upper	10	18.9%	$538	19.9%	41.7%	39.6%	53.7%
Unknown	0	0.0%	$0	0.0%	0.0%	15.8%	13.8%
TOTAL	**53**	**100.0%**	**$2,711**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (5.7 percent) is above aggregate performance (3.0 percent) but below the demographic figure (16.1 percent). Therefore, the bank's performance to low-income borrowers is reasonable. However, for moderate-income borrowers, the bank's performance (34.0 percent) is well above aggregate performance (15.8 percent) and the demographic figure (19.0 percent). As such, the bank's lending performance to moderate-income borrowers is excellent. When considering the bank's performance in both income categories, the bank's overall distribution of 1–4 family residential real estate loans by borrower's profile in the assessment area is excellent.

Therefore, the bank's overall borrower profile performance, based on analyses of all three loan categories, is excellent.

Geographic Distribution of Loans

Under the geographic distribution of loans analysis, emphasis is normally placed on the bank's performance in LMI geographies. However, the bank's assessment area does not contain any LMI census tracts. As previously stated, this assessment area is comprised of seven middle-income census tracts. Therefore, a detailed geographic distribution of loans analysis would not prove meaningful and was not performed as part of this evaluation. Nevertheless, the loan dispersion within the assessment area census tracts was reviewed, the results of which indicated that loan activity was adequately dispersed throughout the assessment area, consistent with demographics and bank structure. Therefore, the bank's geographic distribution of loans is reasonable.

NONMETROPOLITAN MISSOURI ASSESSMENT AREA

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SHELBY-MARION COUNTY ASSESSMENT AREA

This assessment area includes Shelby and Marion Counties in their entireties, both located in nonMSA Missouri. The bank operates two offices in this assessment area. Since the last examination, the bank did not open or close any branches in this assessment area. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	**Population Income Level**				**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	
Family Population	1,772	1,531	1,760	3,860	**8,923**
	19.9%	17.2%	19.7%	43.3%	**100%**
Household Population	3,057	1,986	2,691	5,978	**13,712**
	22.3%	14.48%	19.6%	43.6%	**100%**

Assessment Area Demographics by Geography Income Level						
Dataset	**Geography Income Level**					**TOTAL**
	Low-	**Moderate-**	**Middle-**	**Upper-**	**Unknown-**	
Census Tracts	0	1	8	2	0	**11**
	0.0%	9.1%	72.7%	18.2%	0.0%	**100%**
Family Population	0	720	6,072	2,131	0	**8,923**
	0.0%	8.1%	68.0%	23.9%	0.0%	**100%**
Household Population	0	1,095	9,438	3,179	0	**13,712**
	0.0%	8.0%	68.8%	23.2%	0.0%	**100%**
Business Institutions	0	153	929	353	0	**1,435**
	0.0%	10.7%	64.7%	24.6%	0.0%	**100%**

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SHELBY-MARION COUNTY ASSESSMENT AREA

The bank's Lending Test performance in this assessment area is consistent with the bank's Lending Test performance in the Schuyler-Scotland-Clark assessment area, as detailed in the following table. For more information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix A*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower's Profile	Consistent
Geographic Distribution of Loans	Consistent
OVERALL	**Consistent**

Appendix A

LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREAS

Missouri

Shelby-Marion NonMSA, Missouri Assessment Area

Small Business Loans by Revenue and Loan Size
Assessment Area: Shelby-Marion nonMSA

Farm Revenue and Loan Size			2019						
			Count			Dollars			Total Farms
			Bank		Aggregate	Bank		Aggregate	
			#	%	%	$ (000s)	$%	$%	%
Farm Revenue		$1 million or less	4	100.0%	35.9%	$299	100.0%	68.0%	99.5%
		Over $1 million/ unknown	0	0.0%	64.1%	$0	0.0%	32.0%	0.5%
		TOTAL	**4**	**100.0%**	**100.0%**	**$299**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or less	3	75.0%	84.6%	$102	34.3%	29.9%	
		$100,001–$250,000	1	25.0%	8.5%	$197	65.7%	28.1%	
		$250,001–$1 million	0	0.0%	6.8%	$0	0.0%	42.0%	
		Over $1 million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**4**	**100.0%**	**100.0%**	**$299**	**100.0%**	**100.0%**	
Loan Size	Revenue $1 Million or Less	$100,000 or less	3	75.0%		$102	34.3%		
		$100,001–$250,000	1	25.0%		$197	65.7%		
		$250,001–$1 million	0	0.0%		$0	0.0%		
		Over $1 million	0	0.0%		$0	0.0%		
		TOTAL	**4**	**100.0%**		**$299**	**100.0%**		

Small Business Loans by Revenue and Loan Size Assessment Area: Shelby-Marion nonMSA									
Business Revenue and Loan Size			**2019**						
			Count			**Dollars**			**Total Businesses**
			Bank		**Aggregate**	**Bank**		**Aggregate**	
			#	**%**	**%**	**$ (000s)**	**$%**	**$%**	**%**
Business Revenue		$1 million or less	0	0.0%	42.4%	$0	0.0%	30.4%	90.3%
		Over $1 million/ unknown	0	0.0%	57.6%	$0	0.0%	69.6%	9.7%
		TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or less	0	0.0%	94.0%	$0	0.0%	44.5%	
		$100,001–$250,000	0	0.0%	4.2%	$0	0.0%	21.8%	
		$250,001–$1 million	0	0.0%	1.7%	$0	0.0%	33.7%	
		Over $1 million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	
Loan Size	**Revenue $1 Million or Less**	$100,000 or less	0	0.0%		$0	0.0%		
		$100,001–$250,000	0	0.0%		$0	0.0%		
		$250,001–$1 million	0	0.0%		$0	0.0%		
		Over $1 million	0	0.0%		$0	0.0%		
		TOTAL	**0**	**0.0%**		**$0**	**0.0%**		

Borrower Distribution of Residential Real Estate Loans Assessment Area: Shelby-Marion nonMSA							
Borrower Income Level	**2019**						
	Bank Loans				**Families by Family Income %**	**Aggregate HMDA Data**	
	#	**#%**	**$**	**$%**		**#%**	**$%**
Low	1	100.0%	$28	100.0%	19.9%	4.3%	2.5%
Moderate	0	0.0%	$0	0.0%	17.2%	13.2%	9.5%
Middle	0	0.0%	$0	0.0%	19.7%	21.6%	17.6%
Upper	0	0.0%	$0	0.0%	43.3%	41.2%	49.0%
Unknown	0	0.0%	$0	0.0%	0.0%	19.8%	21.5%
TOTAL	**1**	**100.0%**	**$28**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Appendix A (continued)

Geographic Distribution of Small Farm Loans Assessment Area: Shelby-Marion nonMSA							
Tract Income Levels	**2019**						
	Count			**Dollar**			**Farms**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$%**	**$%**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Middle	4	100.0%	82.9%	$299	100.0%	93.3%	81.8%
Upper	0	0.0%	17.1%	$0	0.0%	6.7%	18.2%
Unknown	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
TOTAL	**4**	**100.0%**	**100.0%**	**$299**	**100.0%**	**100.0%**	**100.0%**

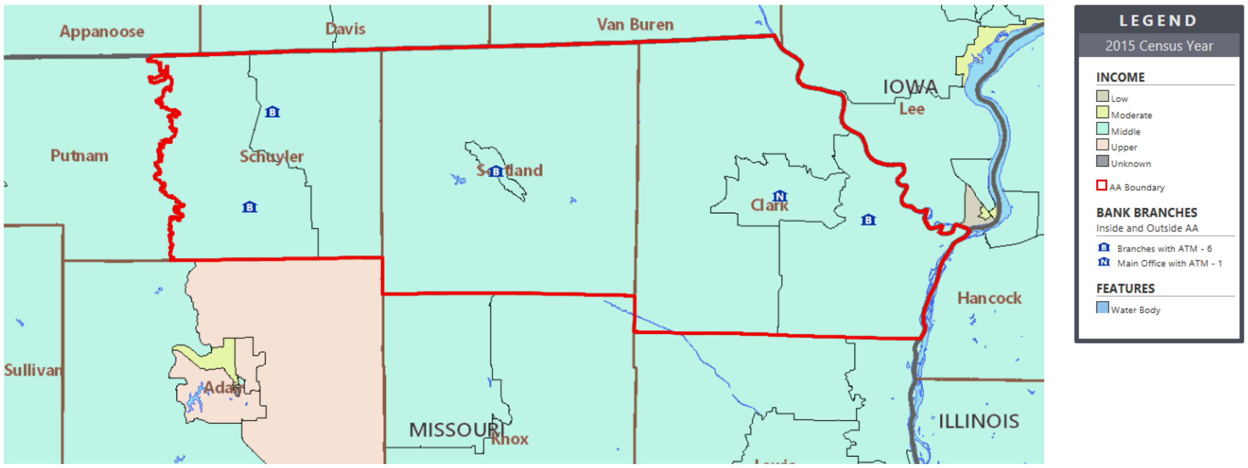
Geographic Distribution of Small Business Loans Assessment Area: Shelby-Marion nonMSA							
Tract Income Levels	**2019**						
	Count			**Dollar**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$%**	**$%**	**%**
Low	0	0.0%	0.0%	$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	10.9%	$0	0.0%	6.1%	10.7%
Middle	0	0.0%	61.0%	$0	0.0%	52.8%	64.7%
Upper	0	0.0%	25.1%	$0	0.0%	40.0%	24.6%
Unknown	0	0.0%	3.0%	$0	0.0%	1.1%	0.0%
TOTAL	**0**	**0.0%**	**100.0%**	**$0**	**0.0%**	**100.0%**	**100.0%**

Geographic Distribution of Residential Real Estate Loans Assessment Area: Shelby-Marion nonMSA							
Census Tract Income Level	**2019**						
	Bank Loans				**% of Owner-Occupied Units**	**Aggregate HMDA Data**	
	#	**#%**	**$ (000s)**	**$%**		**#%**	**$%**
Low	0	0.0%	$0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	$0	0.0%	6.8%	3.3%	1.7%
Middle	1	100.0%	$28	100.0%	68.7%	63.8%	63.9%
Upper	0	0.0%	$0	0.0%	24.6%	32.7%	34.2%
Unknown	0	0.0%	$0	0.0%	0.0%	0.2%	0.3%
TOTAL	**1**	**100.0%**	**$28**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

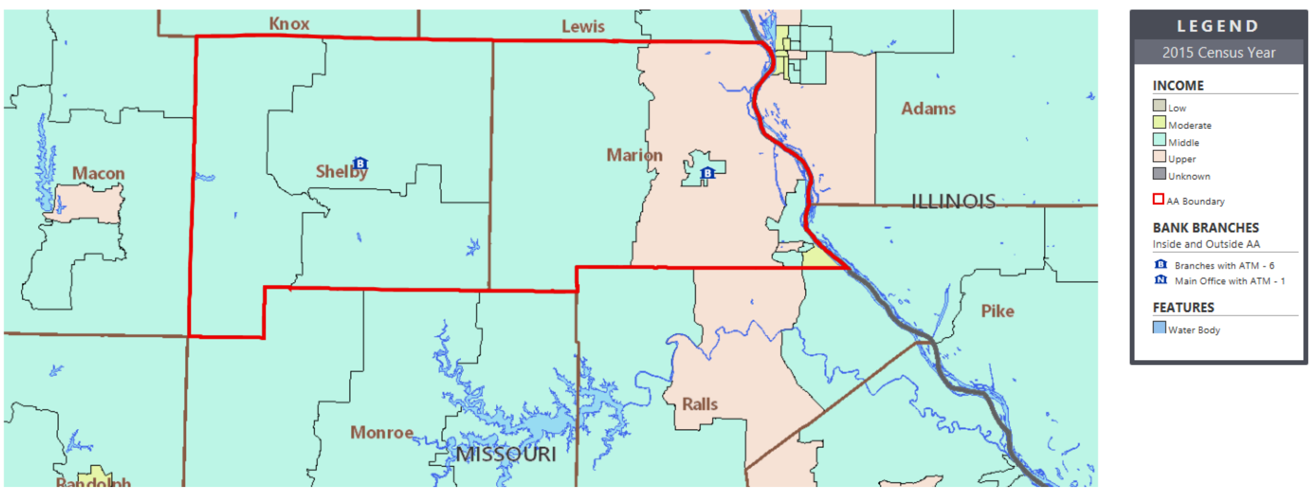
Appendix B

ASSESSMENT AREAS DETAIL

Exchange BK of NEMO - Kahoka, MO 2021
Schuyler Scotland Clark NonMSA, MO 2019



Exchange BK of NEMO - Kahoka, MO 2021
Shelby Marion NonMSA, MO 2019



Appendix C

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 non-metropolitan 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 non-metropolitan 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 non-metropolitan 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 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 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 the 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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 non-mortgage, 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.