PUBLIC DISCLOSURE

August 22, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Iberia
RSSD #790150

841 East Highway 42
Iberia, Missouri 65486

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.

Bank of Iberia meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating are as follows:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.

- A substantial majority of loans and other lending-related activities are in the assessment area.

- The borrower's profile analysis reveals excellent penetration among individuals of different income levels, including low- and moderate-income (LMI) levels, and farms of different revenue sizes.

- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.

- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Examination Procedures for Small Institutions. Residential real estate, small farm, and consumer motor vehicle loans 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 stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Since the bank does not have a particular emphasis on any one product, all three products carried equal 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	March 31, 2017 – June 30, 2022
Assessment Area Concentration	January 1, 2018 – December 31, 2020
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	February 6, 2017 – August 21, 2022

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 farm demographics are based on 2020 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 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 in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $131.8 million to $172.9 million as of June 30, 2022.

To augment this evaluation, two community contact interviews were conducted with members of the local community 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 Assessment Area* section.

DESCRIPTION OF INSTITUTION

Bank of Iberia is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is majority-owned by Milco Bancorporation, Inc., a one-bank holding company headquartered in Iberia, Missouri. Bank of Iberia's branch network consists of two full-service offices, including the main office. The bank locations consist of the main office in Iberia, Missouri (Miller County), and a branch in Waynesville, Missouri (Pulaski County), both of which have full-service automated teller machines (ATMs) on site and drive-up accessibility. In addition to the branch offices, the bank also has one cash-dispensing-only ATM located in the assessment area. Furthermore, the bank did not open or close any branch offices during this review period. Based on this branch network and other service delivery systems, the bank is well positioned to deliver financial services to most of its assessment area. However, the bank faces difficulties in reaching the northwestern portion of Miller County, which includes the city of Eldon, Missouri, and its nearby moderate-income tract. The bank's location in Southeastern Miller County is approximately 30 miles from Eldon, and the bank faces competition from other lenders due to this geographic constraint. The bank also struggles to penetrate Fort Leonard Wood and its associated moderate-income tract. Fort Leonard Wood is a U.S. military base located in Pulaski County, and due to the temporary nature of base residents coupled with increased competition from military centered credit unions, the bank struggles to extend loans to residents in the area.

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 portions of its assessment area as described above, based on its available resources and financial products. As of June 30, 2022, the bank reported total assets of $64.7 million. As of the same date, loans and leases outstanding were $33.0 million (50.9 percent of total assets), and deposits totaled $59.4 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2022		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$2,300	7.0%
Commercial Real Estate	$6,628	20.1%
1–4 Family Residential	$12,463	37.8%
Farmland	$2,788	8.5%
Farm Loans	$2,621	8.0%
Commercial and Industrial	$2,648	8.0%
Loans to Individuals	$3,383	10.3%
Total Other Loans	$137	0.4%
TOTAL	**$32,968**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to 1–4 family residential real estate and agriculture loans. Commercial lending also represents a significant portion of the bank's loan portfolio by dollars; however, these products are typically made in larger amounts and represent a smaller percentage of loans by number of originations. Furthermore, while not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on February 6, 2017, by this Reserve Bank.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank's assessment area, which has a population of 78,399, is located in central Missouri and is composed of Miller and Pulaski Counties in their entireties. The assessment area is part of nonmetropolitan statistical area (nonMSA) Missouri and contains 14 census tracts, including 2 moderate-, 8 middle-, and 4 upper-income tracts. Both bank offices are located in upper-income tracts within the assessment area. Fort Leonard Wood, a U.S. Army training base with a revolving population of approximately 15,000, according to the 2020 U.S. census, is located in and covers the majority of Southern Pulaski County. The military base represents three of the county's 14 census tracts, including the lone moderate-income tract in this county.

According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2021, there are 14 FDIC-insured depository institutions in the assessment area that operate 26 offices. Bank of Iberia (operating two, or 7.7 percent of, offices in the assessment area) ranked 9th in terms of deposit market share, with 5.6 percent of the total assessment area deposit dollars.

The assessment area credit needs include a standard blend of consumer and commercial loan products. According to community contacts, small dollar loans to LMI borrowers that offer alternatives to pay day loans are a credit need. In addition, due to the ongoing shortage of available homes and renting options, loans to repair older housing stock, specifically for LMI borrowers, were cited as a need within the community.

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	2	8	4	0	**14**
	0.0%	14.3%	57.1%	28.6%	0.0%	**100%**
Family Population	0	1,753	9,028	5,837	0	**16,618**
	0.0%	10.5%	54.3%	35.1%	0.0%	**100%**

As shown above, 14.3 percent of the census tracts in the assessment area are LMI geographies, but only 10.5 percent of the family population resides in these tracts.

Based on 2015 ACS data, the median family income for the assessment area was $51,834. At the same time, the median family income for nonMSA Missouri was $48,341. More recently, the FFIEC estimates the 2018, 2019, and 2020 median family income for nonMSA Missouri to be $53,100, $52,400, and $54,400, respectively. 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-**	**Unknown**	**TOTAL**
Assessment Area	3,084	2,638	3,417	7,479	0	**16,618**
	18.6%	15.9%	20.6%	45.0%	0.0%	**100%**
nonMSA Missouri	81,150	72,084	84,064	159,212	0	**396,510**
	20.5%	18.2%	21.2%	40.2%	0.0%	**100%**

As shown in the table above, 34.5 percent of families within the assessment area were considered LMI, which is lower than LMI family percentages of 38.7 percent in nonMSA Missouri. The percentage of families living below the poverty threshold in the assessment area, 13.5 percent, also falls slightly below the 14.2 percent level in nonMSA Missouri. Considering these factors, the assessment area appears more affluent than nonMSA Missouri as a whole.

Housing Demographics

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be less affordable than in nonMSA Missouri. The median housing value for the assessment area is $125,334, which is substantially above the figure for nonMSA Missouri of $100,293. The assessment area housing affordability ratio of 34.9 percent is also below the nonMSA Missouri figure of 38.0 percent, indicating housing is less affordable when accounting for income levels. Lastly, the median gross rent for the assessment area of $854 per month is well above the $611 per month rent for nonMSA Missouri.

Furthermore, rental units appear to be more prominent in the assessment area than in nonMSA Missouri. Of all housing units in the assessment area, 32.3 percent are rental units compared to 23.5 percent of rental units found in nonMSA Missouri. The assessment area's higher percentage of rental units and higher rents corresponds with information from community contacts regarding the demand for and availability of affordable housing. Based on housing data and community contact interviews, additional affordable housing is a need of the community and may not be easily affordable for the area's LMI population.

Industry and Employment Demographics

The assessment area supports a large and diverse business community. County business patterns indicate that there are 20,031 paid employees in the assessment area. By percentage of employees, the largest private sector industries in the assessment area are retail trade (17.1 percent) and accommodation and food services (17.1 percent), followed by construction (5.4 percent). In addition to the number of private sector jobs, the assessment area also employs a large number of government employees (30.0 percent). 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 for the Assessment Area		
Time Period (Annual Average)	**Assessment Area**	**nonMSA Missouri**
2017	4.3%	4.4%
2018	3.6%	3.7%
2019	3.7%	3.8%
2020	5.8%	6.1%
2021	4.3%	4.4%

As shown in the table above, unemployment levels for the assessment area, as well as nonMSA Missouri, have remained at similar levels throughout the review period and have shown a generally stable trend overall. However, unemployment rates increased sharply in 2020, largely attributed to the COVID-19 pandemic, and have returned in 2021 to trends more in line with unemployment rates prior to the pandemic.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. Of these community contact interviews, both were with individuals specializing in economic development. The contacts explained the economy has seen steady business and population growth over the last few years, citing that people have been both visiting and relocating to the area for its outdoor activities, as well as to visit the Lake of the Ozarks, located on the western edge of Miller County. Contacts described the Lake of the Ozarks as a strong source of tourism for the area and has attracted residents looking to relocate from higher-cost cities. In addition, the Fort Leonard Wood military base is a primary driver of new residents. Aside from these attractions and moderately sized cities, such as Waynesville, St. Robert, and Eldon, much of the assessment area is rural. Due to the rural nature and prevalence of low-wage service jobs in the area (primarily driven from the accommodation and retail industries supporting the Lake of the Ozarks), many residents commute to larger cities near the assessment area, such as Jefferson City, Lebanon, and Rolla. Lastly, when discussing how the area endured during the COVID-19 pandemic, the contacts explained the area did well due to the economic reliance on industries less effected by the pandemic.

While the assessment area has remained stable economically, the community contacts identified several needs within the community. The contacts explained that, while important to the community's economy, both Fort Leonard Wood and the Lake of the Ozarks have caused the areas to have considerably higher rent and housing prices compared to other nearby areas due to high demand for affordable rental units. The contacts did note that recently construction in the area has been strong, which has addressed the need for more affordable housing and rentals. In addition, the contacts noted there is a need for home repair and small dollar loans aimed at the communities' LMI population, improved financial literacy, and better workforce participation, so local businesses can continue to prosper and grow.

Despite the credit needs outstanding within the community, community contacts indicated banks are accessible to all within the assessment area and are very well dispersed to allow access to everyone. Lastly, the contacts indicated that there is a strong supply of banks in the area, which often generates healthy competition on rates and usually benefits the consumer or small business.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The chart below 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, 2022	Average LTD Ratio
Bank of Iberia	Iberia, Missouri	$64,723	61.1%
Regional Banks	Waynesville, Missouri	$150,169	45.1%
	Saint Robert, Missouri	$131,830	69.8%
	Rolla, Missouri	$172,871	77.1%

Based on data from the previous table, the bank's level of lending is consistent with that of other banks in the region. During the review period, the LTD ratio experienced a generally decreasing trend until the most recent quarters of 2022 in which it has begun to rise. Over the previous 22 quarters the bank has maintained an average LTD ratio of 61.1 percent. In comparison, two competitor LTD ratios were higher, and one was lower, and all maintained a similar trend. Therefore, compared to data from regional banks, the bank's average LTD ratio is considered reasonable given the bank's size, financial condition, and assessment area credit needs.

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 area.

Lending Inside and Outside the Assessment Area January 1, 2018 through December 31, 2020								
Loan Type	**Inside**				**Outside**			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
Motor Vehicle	56	90.3	798	87.8	6	9.7	111	12.2
Total Consumer-related	56	90.3	798	87.8	6	9.7	111	12.2
Home Purchase – Conventional	51	89.5	3,930	87.6	6	10.5	556	12.4
Total HMDA-related	51	89.5	3,930	87.6	6	10.5	556	12.4
Small Farm	53	94.6	2,187	96.7	3	5.4	74	3.3
Total Small Farm-related	53	94.6	2,187	96.8	3	5.4	74	3.3
TOTAL LOANS	160	91.4	6,915	90.3	15	8.6	741	9.7

A substantial majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 91.4 percent of the total loans were made inside the assessment area, accounting for 90.3 percent of the dollar volume of total loans.

Loan Distribution by Borrower's Profile

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

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. 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 and average aggregate data from 2018–2020.

Distribution 2018–2020 Home Mortgage Lending By Borrower Income Level Assessment Area: NonMSA Missouri							
Borrower Income Level	**Bank Loans**				**Families by Family Income %**	**Aggregate HMDA Data**	
	#	**#%**	**$**	**$%**		**#%**	**$ %**
Low	4	7.8%	155	3.9%	18.6%	2.9%	1.3%
Moderate	13	25.5%	702	17.9%	15.9%	10.3%	6.5%
Middle	12	23.5%	1,001	25.5%	20.6%	17.6%	15.0%
Upper	22	43.1%	2,073	52.7%	44.9%	39.7%	44.8%
Unknown	0	0.0%	0	0.0%	0.0%	29.5%	32.5%
TOTAL	**51**	**100.0%**	**3,930**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers by number (7.8 percent) is below the low-income family population figure (18.6 percent), but above the average aggregate lending level to low-income borrowers (2.9 percent), reflecting reasonable performance. Conversely, the bank's level of lending to moderate-income borrowers (25.5 percent) is above both the moderate-income family population percentage (15.9 percent) and average aggregate lending level to moderate-income borrowers (10.3 percent), reflecting excellent performance. Considering performance to both income categories, the bank's overall distribution of loans by borrower's profile is reasonable.

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 small farm loans from 2018–2020 by loan amount and farm revenue size compared to Dun & Bradstreet and average small farm aggregate data over the review period.

Distribution of 2018–2020 Small Farm Lending
Small Farm Loans by Revenue and Loan Size
Assessment Area: NonMSA Missouri

Farm Revenue and Loan Size		2018–2020 Count Bank #	Count Bank %	Count Aggregate %	Dollars Bank $ (000s)	Dollars Bank $ %	Dollars Aggregate $ %	Farms %
Farm Revenue	$1 Million or Less	53	100.0%	80.2%	2187	100.0%	90.7%	100.0%
Farm Revenue	Over $1 Million/ Unknown	0	0.0%	19.8%	0	0.0%	9.3%	0.0%
Farm Revenue	**TOTAL**	**53**	**100.0%**	**100.0%**	**2187**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	47	88.7%	88.5%	1156	52.9%	53.7%	
Loan Size	$100,001–$250,000	5	9.4%	9.0%	779	35.6%	28.3%	
Loan Size	$250,001–$500,000	1	1.9%	2.5%	252	11.5%	18.0%	
Loan Size	Over $500,000	0	0.0%	0.0%	0	0.0%	0.0%	
Loan Size	**TOTAL**	**53**	**100.0%**	**100.0%**	**2187**	**100.0%**	**100.0%**	
Loan Size Revenue $1 Million or Less	$100,000 or Less	47	88.7%		1156	52.9%		
Loan Size Revenue $1 Million or Less	$100,001–$250,000	5	9.4%		779	35.6%		
Loan Size Revenue $1 Million or Less	$250,001–$1 Million	1	1.9%		252	11.5%		
Loan Size Revenue $1 Million or Less	Over $1 Million	0	0.0%		0	0.0%		
Loan Size Revenue $1 Million or Less	**TOTAL**	**53**	**100.0%**		**2187**	**100.0%**		

The bank's level of lending to small farms is excellent. The bank originated all its small farm loans (100.0 percent) to farms with revenues of $1 million or less. In comparison, assessment area demographics estimate that 100.0 percent of farms in the assessment area had annual revenues of $1 million or less. However, the average aggregate lending level to small farms is 80.2 percent.

Next, consumer motor vehicle loans were reviewed to determine the bank's lending levels to individuals of different income levels. The following table shows the distribution of 2018–2020 consumer motor vehicle loans by income level compared to household demographics.

Distribution of 2018–2020 Consumer Lending By Borrower Income Level Assessment Area: NonMSA Missouri					
Borrower Income Levels	**2018–2020**				
	Count		**Dollar**		**Households**
	#	**%**	**$ (000s)**	**$ %**	**%**
Low	13	23.2%	$91	11.4%	18.9%
Moderate	16	28.6%	$206	25.8%	15.0%
Middle	13	23.2%	$180	22.6%	19.1%
Upper	14	25.0%	$321	40.2%	47.1%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**56**	**100.0%**	**$798**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of motor vehicle lending to both low- and moderate-income borrowers (23.2 and 28.6 percent, respectively) is above the household population figures (18.9 and 15.0 percent, respectively), reflecting excellent performance to both income levels. As a result, he bank's overall distribution of motor vehicle loans by borrower's profile is considered excellent.

Geographic Distribution of Loans

As noted previously, the assessment area includes zero low-income and two moderate-income census tracts, representing 14.3 percent of all assessment area census tracts. It should also be noted, however, that one of the moderate-income tracts is located approximately 30 miles away and presents geographic challenges for the bank to reach in the normal course of business. Similarly, the bank's other moderate-income tract is located inside a military base, which presents lending challenges due to the temporary nature of the community members. Lastly, the bank also faces high amounts of competition in these areas from banks and military credit unions. Considering the bank's performance context, overall geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts based on loan categories reviewed.

The following table displays the geographic distribution of 1–4 family residential real estate loans compared to owner-occupied housing demographics and average aggregate performance for the assessment area from 2018–2020.

Distribution of 2018–2020 Home Mortgage Lending By Income Level of Geography Assessment Area: NonMSA Missouri							
Census Tract Income Level	**Bank Loans**				**% of Owner-Occupied Units**	**Aggregate HMDA Data**	
	#	**#%**	**$**	**$%**		**#%**	**$ %**
Low	0	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0	0.0%	8.5%	5.0%	3.6%
Middle	13	25.5%	752	19.1%	58.4%	54.3%	54.2%
Upper	38	74.5%	3,179	80.9%	33.1%	40.6%	42.2%
Unknown	0	0.0%	0	0.0%	0.0%	0.1%	0.0%
TOTAL	**51**	**100.0%**	**3,930**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The analysis of 1–4 family residential real estate loans revealed reasonable lending performance to borrowers residing in moderate-income geographies. While the bank made zero loans in moderate-income tracts, and lending is below the percentage of owner-occupied housing units and average aggregate lending in moderate-income census tracts (8.5 and 5.0 percent, respectively), the bank's performance is considered reasonable given the challenges the bank faces in reaching these areas.

Second, the bank's geographic distribution of small farm loans was reviewed. The following table displays 2018–2020 small farm loan activity by geography income level compared to the location of farms throughout the bank's assessment area and average small farm aggregate data from the review period.

Distribution of 2018–2020 Small Farm Lending By Income Level of Geography Assessment Area: NonMSA Missouri							
Census Tract Income Level	**Bank Small Farm Loans**				**% of Farms**	**Aggregate of Peer Data**	
	#	**#%**	**$ 000s**	**$ %**		**#%**	**$ %**
Low	0	0.0%	$0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	$0	0.0%	2.7%	0.2%	0.1%
Middle	17	32.1%	$849	38.8%	58.4%	53.6%	60.3%
Upper	36	67.9%	$1,337	61.2%	38.9%	46.0%	39.6%
Unknown	0	0.0%	$0	0.0%	0.0%	0.2%	0.0%
TOTAL	**53**	**100.0%**	**$2,186**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

While the bank made zero loans in moderate-income tracts, and lending is below the percentage of small farms in moderate-income tracts (2.7 percent), the bank is just slightly lower than the average aggregate performance (0.2 percent). Additionally, while the data shows 2.7 percent of small farms reside in moderate-income tracts, this number only represents a total of three small farms that operate in moderate-income tracts. Therefore, considering this performance context and the context previously described, the bank's overall geographic distribution of small farm loans is reasonable.

Last, the bank's geographic distribution of consumer motor vehicle loans was reviewed. The following table displays 2018–2020 consumer motor vehicle loan activity by geographic income level compared to the location of households throughout the bank's assessment area.

Distribution of 2018–2020 Consumer Lending
By Income Level of Geography
Assessment Area: NonMSA Missouri–Miller and Pulaski Counties

Tract Income Levels	Bank Loans				% of Households
	#	#%	$ (000s)	$ %	
Low	0	0.0%	$0	0.0%	0.0%
Moderate	0	0.0%	$0	0.0%	10.8%
Middle	21	37.5%	$273	34.2%	53.1%
Upper	35	62.5%	$525	65.8%	36.0%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**56**	**100.0%**	**$798**	**100.0%**	**100.0%**

Similarly, the bank made zero loans in moderate-income tracts and lending is below the percentage of households in moderate-income tracts (10.8 percent). However, considering the performance context already described, the bank's performance is considered reasonable for the bank's overall geographic distribution of consumer motor vehicle loans.

Lastly, based on reviews from all loan categories, Bank of Iberia had loan activity in 57.1, 35.8, and 57.1 percent of all assessment area census tracts in 2018, 2019, and 2020, respectively. Considering the challenges to reaching its entire assessment area as described throughout the analysis, this information supports the conclusion that the bank's the overall geographic distribution of loans is reasonable. Additionally, there were no conspicuous lending gaps noted in LMI areas.

Responses to Complaints

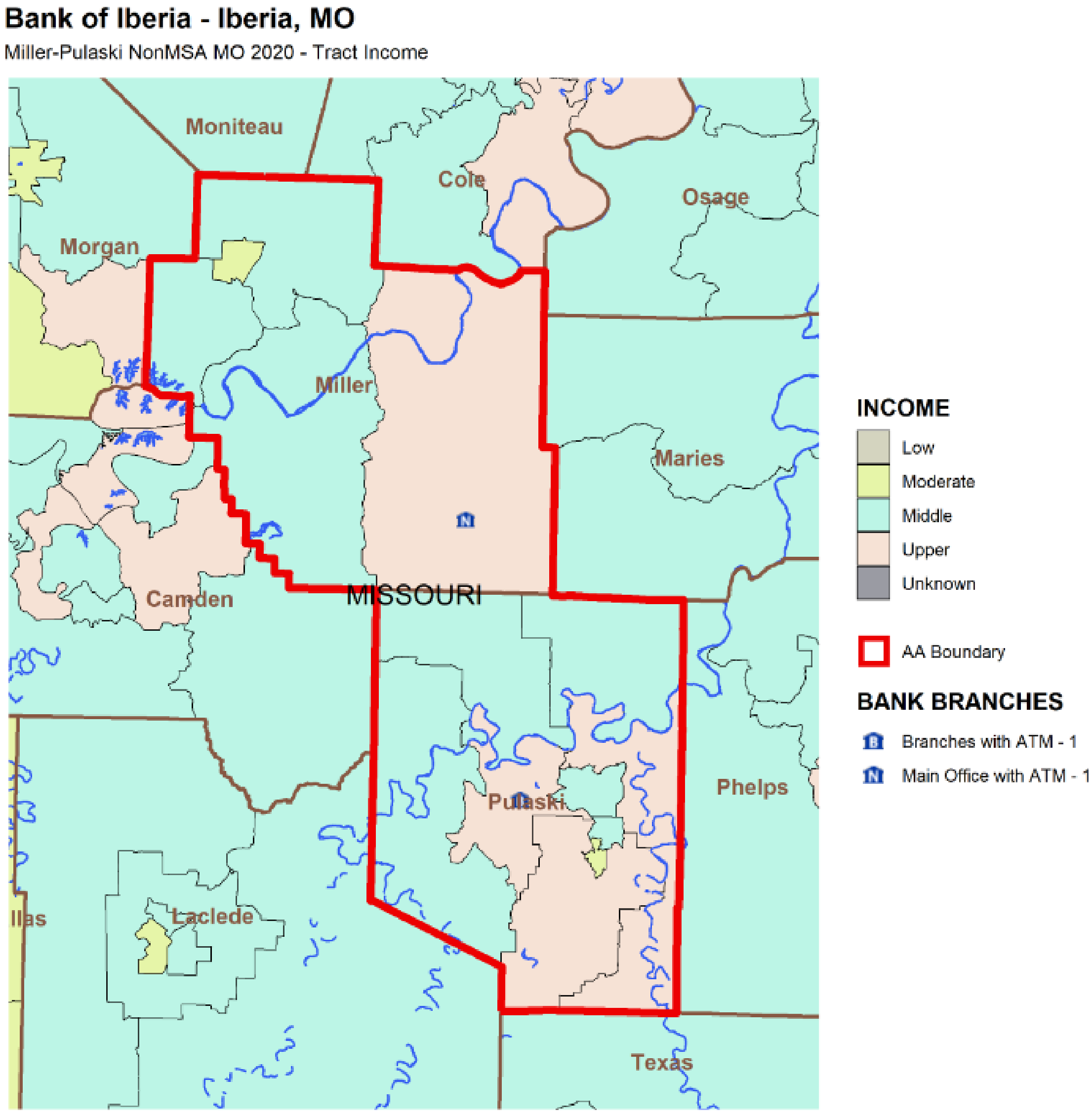
No CRA-related complaints were filed against the bank during this review period (February 6, 2017 through August 21, 2022).

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.

Appendix A

ASSESSMENT AREA DETAIL



Appendix B

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).

Appendix B (continued)

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.

Appendix B (continued)

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 by either 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.