

PUBLIC DISCLOSURE

December 18, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank & Trust Company
Certificate Number: 1047

401 North Madison Street
Litchfield, Illinois 62056

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Chicago Regional Office

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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 this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area (AA) credit needs.
- The bank made a majority of its home mortgage loans, small business loans, and small farm loans in the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans reflects, given the product lines offered by the institution, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation.

The Community Development Test is rated Satisfactory.

- The institution's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

DESCRIPTION OF INSTITUTION

Background and Operations

Bank & Trust Company (B&T) is a \$458 million financial institution headquartered in Litchfield, Illinois. The bank is a wholly owned subsidiary of LBT Bancshares. LBT Bancshares also owns a majority share in Security Bancshares, Inc., a one-bank holding company that owns a financial institution in Witt, Montgomery County, Illinois. The bank received a rating of "Satisfactory" at its previous FDIC Performance Evaluation based on Interagency Small Bank Examination Procedures. This Performance Evaluation represents the bank's first time examined under the Intermediate Small Bank Examination Procedures.

In addition to the main office, B&T operates six additional branches: Litchfield (population 6,726), Farmersville (population 679), and Raymond (population 938) in Montgomery County; Chatham (population 14,404) and Rochester (population 3,840) in Sangamon County; and Carlinville (population 5,575) in Macoupin County. The bank designated all of Montgomery, Sangamon, and Macoupin Counties as its assessment area. Montgomery County is part of the IL Non Metropolitan Statistical Area (MSA), while Sangamon County is part of the Springfield IL MSA and Macoupin County is part of the St. Louis, MO IL MSA. No branch openings or closures, or merger or acquisition activities, have occurred since the previous examination.

The primary lending focus of the bank remains in home mortgage, commercial, and agricultural loans. A review of the lending activity during the review period, along with interviews with senior management, confirmed this focus. B&T offers a variety of home mortgage options, including home purchase, refinance, and home improvement loans. Residential mortgage products include adjustable rate mortgages and long-term, fixed-rate loans that are sold into the secondary market. In addition to traditional mortgage products, the bank also has a referral program to a third party for government-related mortgages, such as the Federal Housing Authority (FHA), Veteran's Affairs (VA), and U.S. Department of Agriculture (USDA). For these loans, bank employees help facilitate the applications and ensure borrowers have all the required documentation, and often attend loan closings with the borrowers. Consumer assistance is offered through the Federal Home Loan Bank's Downpayment Plus (DPP) program and the Illinois Community Uplift program.

Agricultural loans are offered for the purchase of farms, land, equipment, and operating lines of credit. Commercial loans are offered for commercial and investment real estate, equipment, and working capital. The bank assists commercial borrowers through the Small Business Administration (SBA) and Illinois Ag and Business Invest Community Uplift programs.

In response to the economic impact on small businesses resulting from the COVID-19 pandemic, the SBA created the Paycheck Protection Program (PPP). This loan program was designed to help small businesses maintain and compensate their workforce during the crisis. B&T participated in the PPP program and originated 183 PPP small business loans totaling \$6.3 million. An average loan amount of \$34,075 indicates that the majority of the PPP lending was targeted towards assisting smaller businesses.

Deposit products include regular checking, savings, NOW, money market deposit accounts, certificates of deposits, and trust services. Deposit services includes in-person, online and mobile banking. Additionally, all branches have ATMs and the bank belongs to a network, allowing fee-free ATM services across west central Illinois. These alternative services allow customers to check account balances and transaction history, transfer funds, and make deposits.

Ability and Capacity

As of September 30, 2023, total assets were \$458 million, total securities were \$129 million, total loans were \$304 million, and total deposits were \$383 million. B&T experienced growth in total assets of 15.2 percent since the previous CRA evaluation, while total loans grew 13.6 percent and deposits increased 14.7 percent.

The loan portfolio, as of the September 30, 2023 Consolidated Report of Condition and Income (Call Report), is shown on the following table.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	3,066	1.0
Secured by Farmland	48,418	15.9
Secured by 1-4 Family Residential Properties	67,531	22.3
Secured by Multifamily (5 or more) Residential Properties	11,951	3.9
Secured by Nonfarm Nonresidential Properties	94,692	31.2
Total Real Estate Loans	225,658	74.3
Agricultural Production and Other Loans to Farmers	11,046	3.6
Commercial and Industrial Loans	33,210	10.9
Consumer Loans	22,714	7.5
Other	10,429	3.4
Lease financing receivables	1,110	0.3
Total Loans	304,167	100.0
<i>Source: Reports of Condition and Income</i>		

This table does not include home mortgage loans that sold into the secondary market. The bank maintains the servicing on these loans. Since the previous evaluation, 331 loans totaling over \$46.2 million were sold into the secondary market.

No legal or financial impediments exist which would prohibit the bank from meeting the credit needs of the community.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment area (AA) within which its CRA performance will be evaluated. The designated assessment area of the bank includes the counties in which it operates branches, specifically Montgomery, Sangamon, and Macoupin Counties in Illinois. The assessment area is consistent with the requirements of the CRA as it consists of contiguous, whole geographies where branch offices and deposit-taking ATMs are located, and do not arbitrarily exclude low- and moderate-income geographies or reflect illegal discrimination, and otherwise meet the requirements of the CRA regulation. The composition of the assessment area and branch locations is noted below.

- IL Non-MSA (Montgomery AA): All eight census tracts in Montgomery County, Illinois. The bank has the main branch and three other branches in this assessment area.
- Springfield, IL MSA (Sangamon AA): All 54 census tracts in Sangamon County, Illinois. The bank has two branches in this assessment area.
- St. Louis, MO IL MSA (Macoupin AA): All 13 census tracts in Macoupin County, Illinois. The bank has one branch in this assessment area.

A more detailed discussion of each assessment area, including economic and demographic data, competition, and community contacts, are discussed in detail in subsequent sections of this evaluation.

SCOPE OF EVALUATION

Examiners used the Interagency Intermediate Small Bank Examination Procedures to evaluate the bank's CRA performance. This evaluation covers the period from the prior CRA evaluation dated December 23, 2020 to the current evaluation dated December 18, 2023. These procedures include two tests: The CRA Small Bank Lending Test and Community Development Test.

The Lending Test considered the institution's performance according to the following criteria:

- Loan-to-deposit ratio
- Assessment area concentration
- Geographic distribution
- Borrower profile
- Response to CRA-related complaints

The Community Development Test considered the following factors:

- Number and dollar amount of community development loans, qualified investments and community development services
- The responsiveness of such activities to the community development needs of the assessment areas.

Banks must achieve at least a Satisfactory rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activity performed by affiliates.

For purposes of this evaluation, full-scope reviews were conducted to assess the bank's performance in its assessment areas. The IL Non-MSA Montgomery AA and Springfield, IL MSA Sangamon AA are weighted more heavily because they contain six of the seven banking locations and is where most deposit and lending activity occurs. The St Louis, MO IL MSA Macoupin AA received secondary weight to the Montgomery and Sangamon AAs.

Activities Reviewed

Examiners determined the bank's major product lines continue to be commercial, home mortgage and agricultural loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. As of September 30, 2023, the loan portfolio was comprised of 42 percent commercial loans, 26.2 percent home mortgage loans, and 20 percent agricultural loans. The bank's record of originating the three credit products contributed to the overall conclusions due to the bank's business focus; however, less weight was given to small farm lending due to its lower concentration in the portfolio. While the bank continues to consider agricultural lending a focus, competitive forces and consolidation in farming operations has impacted their activity in this sector. Additionally, many home mortgage loan originations are sold on the secondary market and not maintained in the bank's portfolio. Consumer loans were not analyzed and did not provide material support for conclusions or ratings as they represent a minimal percentage of total loans.

Bank records and Call Report data indicate the institution's lending focus and product offerings remained consistent throughout the evaluation period. Examiners analyzed all home mortgage, small business, and small farm loans originated since the prior evaluation and did not identify any trends that materially affect the conclusions.

This evaluation considered and analyzed all home mortgage loans reported on the 2020, 2021, and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. Only 2022 HMDA loans are presented for all lending tests. The 2020 U.S. Census data is presented as a demographic comparative factor. Aggregate lending data for 2022 is also presented as it is the most recent year of data available and it represents a better indicator of the opportunities to lend in these markets.

B&T is not required to collect and report data on small business loan or small farm activity. As such, examiners utilized bank records to identify small business and small farm loans originated in 2022. D&B data for 2022 is used as a comparative factor for small farm and small business lending performance. Examiners presented all small business and small farm loans originated in 2022.

Finally, while the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of businesses and individuals served for all three loan types.

Community development loans, qualified investments, and community development services initiated or maintained by the bank since the previous CRA performance evaluation were reviewed for this evaluation.

As part of the evaluation process, examiners referred to recent contacts with third parties active in the assessment area to assist in identifying the credit and community development needs and

opportunities, as well as to determine whether local financial institutions are responsive to those needs. Examiners considered three community contacts conducted in the 12 months prior to the current evaluation. None of the contacts identified any significant unmet credit and community development needs in the overall assessment area. Comments from the community contacts are included in the appropriate sections of the evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

B&T demonstrated reasonable performance under the Lending Test. The Loan-to-Deposit (LTD) ratio, Assessment Area Concentration, Geographic Distribution and the Borrower Profile performance support this conclusion. Examiners evaluated the LTD ratio and assessment area concentration at the institution-wide level, while separate conclusions are discussed regarding performance under the geographic distribution and borrower profile criteria for each assessment area. As mentioned previously, lending in the Montgomery and Sangamon assessment areas was weighted heavier in the overall CRA rating than activity in the Macoupin AA.

Loan-to-Deposit Ratio

The LTD ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The LTD ratio, calculated from Call Report data, averaged 75.6 percent over the past 12 calendar quarters since the prior evaluation. The ratio ranged from a high of 78 percent as of September 30, 2020 to a low of 67.2 percent as of March 31, 2021. Since the last performance evaluation, the bank originated and sold 331 mortgages totaling over \$46.2 million; this lending activity is not captured in the LTD ratio.

Examiners compared B&T’s average LTD ratio to those of similarly-situated institutions (SSI), which were selected based on geographic location, lending focus, and asset size. As shown in the following table, B&T maintained an average LTD ratio higher than all other banks, demonstrating a willingness to lend and meet the credit needs of its community.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 06/30/2023 \$(000s)	Average Net LTD Ratio (%)
Bank & Trust Company	455,407	75.6
Similarly-Situated Institution #1	541,980	75.2
Similarly-Situated Institution #2	710,607	72.7
Similarly-Situated Institution #3	795,811	69.6
<i>Source: Reports of Income and Condition 9/30/20 through 06/30/23</i>		

Assessment Area Concentration

The bank made a majority of home mortgage, small business, and small farm loans by number and dollar volume, within its assessment areas. The following table provides further details about the number and dollar volumes of loans originated inside and outside the overall assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	394	85.7	66	14.3	460	57,692	82.6	12,130	17.4	69,822
2021	266	84.7	48	15.3	314	32,874	64.0	18,487	36.0	51,361
2022	163	84.9	29	15.1	192	20,625	77.2	6,088	22.8	26,713
Subtotal	823	85.2	143	14.8	966	111,191	75.2	36,705	24.8	147,896
Small Business										
2022	114	85.1	20	14.9	134	14,807	78.8	3,990	21.2	18,797
Small Farm										
2022	18	85.7	3	14.3	21	995	83.6	195	16.4	1,190
<i>Sources: Bank Data, 2020-2022 HMDA Reported Data, 2022 Bank Records Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The distribution of loans reflects reasonable penetration throughout the overall assessment area. Only loans originated within the assessment area were considered for this criterion. This conclusion is primarily derived by the distribution of loans in the Sangamon and Macoupin AAs, as there are no low- or moderate-income tracts in the Montgomery AA. Additional discussions of the bank's performance for this criterion are in the separate assessment area sections of this evaluation.

Borrower Profile

The distribution of loans to borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. Only loans originated within the assessment area are considered under this criterion. This conclusion is derived from the borrower distribution of home mortgage, small business, and small farm loans in all assessment areas. Refer to the separate assessment area sections of this evaluation for further discussion of the bank's performance under this criterion.

Response to Complaints

The bank has not received any CRA-related complaints since the prior CRA evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

The institution demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. The bank's level of community development activity was compared to other similarly-situated institutions with similar lending focuses operating in the assessment area. Community development activities were in line with the activity of SSIs in the assessment areas. Information is presented below related to the combined activity in all assessment areas. During the last evaluation, B&T was evaluated under the Interagency Small Institution Examination Procedures, which does not include a Community Development Test; therefore, there is no past activity to utilize as a comparative factor against the bank's current performance. The bank's community development activities are further discussed within each assessment area's section of this evaluation.

Community Development Loans

B&T originated 38 community development loans totaling over \$11.9 million during the evaluation period. This level of community development loans, by dollar volume represents 3.9 percent of total loans and 2.6 percent of total assets as of June 30, 2023. The institution's level of community development lending was compared to three other similarly-situated financial institutions and were evaluated for CRA performance during the current review period. These institutions had total assets ranging from \$820 million to \$581 million and community development loans-to-total loan ratios ranging from 16.8 percent to 6.4 percent. B&T's ratio of 3.9 percent is at the bottom of this range.

Performance during this evaluation period includes qualified loans the bank originated outside of its assessment area to an entity that serves the counties in the broader statewide or regional area. While these loans did not directly benefit any of the bank's assessment areas, it is still considered under the Community Development Test, because the bank has demonstrated reasonable responsiveness to community development needs in all of its assessment areas. The community development loans are detailed below:

- B&T provided \$1.2 million in financing to a business to develop retail space for businesses that will provide employment to low- and moderate-income individuals. This loan supports economic development.
- B&T provided \$5 million in financing to a business to lease warehouse space to a nationwide manufacturing company. The property is located in a moderate-income geography. This loan supports revitalization and stabilization.

Further discussion of the bank's community development loans can be found in the separate AA sections of this evaluation. The following tables illustrate the bank's community development lending activity by year and purpose, and by assessment area.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
2021	--	--	--	--	20	487	3	45	23	532
2022	1	192	1	48	4	2,506	5	8,116	11	10,862
YTD 2023	2	191	1	128	1	222	--	--	4	541
Total	3	383	2	176	25	3,215	8	8,161	38	11,935

Source: Bank Data

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Montgomery AA	--	--	--	--	21	709	2	24	23	733
Sangamon AA	2	354	1	48	3	1,266	4	3,116	10	4,784
Macoupin AA	1	29	1	128	--	--	1	21	3	178
Regional Activities	--	--	--	--	1	1,240	1	5,000	2	6,240
Total	3	383	2	176	25	3,215	8	8,161	38	11,935

Source: Bank Data

B&T offers Small Business Administration (SBA) loans, which typically provide start-up costs or working capital for small businesses and often require an element of creating or retaining jobs. The institution demonstrated reasonable responsiveness to the credit needs of small business owners by participating in the SBA Payment Protection Program (PPP) that was developed in response to the COVID-19 pandemic. Within this review period, 183 PPP loans totaling over \$6.3 million were funded by the bank.

Qualified Investments

B&T made 10 qualified investments that support community service totaling \$4.2 during the evaluation period. This level of qualified investments, by dollar volume, represents 1.1 percent of total securities and 0.9 percent of total assets as of June 30, 2023. With the exception of one, all qualified investments are comprised of local school district bonds in which over 50 percent of the district's students qualify for free or reduced lunches. In addition to the 10 qualified investments the bank made within its AA, B&T made four investments totaling \$1.4 million that benefit a broader statewide or regional area. These investments were school bonds purchased from school districts with the majority of students in the low-income category. The bank made charitable donations of approximately \$2,000 to 13 organizations in the assessment area that support community services to low- and moderate- income people.

The bank's level of qualified investments, by dollar volume, reasonably compares to three SSIs, which had qualified investment-to-total securities ratios ranging from 4.3 percent to 1.2 percent. The following tables illustrates qualified investment activity by year and purpose, and by assessment area.

Qualified Investments and Donations										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Prior Period	--	--	9	3,099	--	--	--	--	9	3,099
Dec 2020	--	--	--	--	--	--	--	--	--	--
2021	--	--	4	2,046	--	--	1	460	5	2,506
2022	--	--	--	--	--	--	--	--	--	--
YTD 2023	--	--	--	--	--	--	--	--	--	--
Subtotal	--	--	13	5,145	--	--	1	460	14	5,605
Qualified Grants & Donations	--	--	13	2	--	--	--	--	13	2
Total	--	--	26	5,147	--	--	1	460	27	5,607

Source: Bank Data

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Montgomery AA	--	--	7	3,288	--	--	--	--	7	3,288
Sangamon AA	--	--	--	--	--	--	1	460	1	460
Macoupin AA	--	--	2	475	--	--	--	--	2	475
Regional Activities	--	--	4	1,382	--	--	--	--	4	1,382
Total	--	--	13	5,145	--	--	1	460	14	5,605

Source: Bank Data

Community Development Services

During the evaluation period, bank employees provided 232 instances of financial expertise or technical assistance in the bank's assessment area. This level of community development services compares favorably to other SSIs, which had levels of community development services ranging from 124 to 81 qualifying services.

Community Development Services					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Dec 2020	--	--	--	--	--
2021	9	--	165	6	180
2022	11	--	--	--	11
YTD 2023	9	--	--	32	41
Total	29	--	165	38	232
<i>Source: Bank Records</i>					

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Montgomery AA	13	--	83	19	115
Sangamon AA	7	--	42	10	59
Macoupin AA	9	--	40	9	58
Total	29	--	165	38	232
<i>Source: Bank Records</i>					

Several alternative delivery channels are offered for retail banking services that provide access to all portions of the assessment area. These delivery systems include internet, mobile, and telephone banking that utilize technology to provide 24-hour account access to customers. Credit and debit cards are available and the bank is part of an extended ATM network. Additionally, B&T has one office that is located in a moderate-income census tract in Macoupin County.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this criterion did not affect the institution's overall CRA rating.

**Illinois Non-MSA Assessment Area
(Montgomery Assessment Area) – Full-Scope Review**

**DESCRIPTION OF INSTITUTION’S OPERATIONS
IN MONTGOMERY ASSESSMENT AREA**

A full-scope review of the bank’s performance in the Montgomery Assessment Area was conducted consistent with the scope of the evaluation. This assessment area contains one full county located in the non-metropolitan portion of the State of Illinois. As previously discussed, four of the seven banking offices are located in the AA where the bank conducts a majority of its deposit activities. As of June 30, 2023, approximately 62.6 percent of the bank’s total deposits were derived from this AA, which results in the highest concentration of deposits among all of them. Further, the bank originated approximately 35 percent of its home mortgage, 30 percent of small business, and 61.1 percent of small farm loans, by number, in this assessment area. As a result, performance in the Montgomery assessment area is weighed equally with the Sangamon AA, and heavier than the Macoupin AA in the overall CRA rating.

This assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all of the geographies where the bank’s offices and deposit taking ATMs are located.

Economic and Demographic Data

The Montgomery assessment area consists of all eight census tracts in Montgomery County, and according to the 2020 U.S. Census data, has a population of 28,288. Of the eight census tracts, seven are middle-income and one is upper-income. This is a change from the last performance evaluation, when the assessment area included seven middle-income and one moderate-income census tracts. The following table provides additional demographic details on this AA.

Demographic Information of the Assessment Area Assessment Area: Montgomery County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	0.0	87.5	12.5	0.0
Population by Geography	28,288	0.0	0.0	87.8	12.2	0.0
Housing Units by Geography	13,122	0.0	0.0	87.4	12.6	0.0
Owner-Occupied Units by Geography	8,875	0.0	0.0	85.4	14.6	0.0
Occupied Rental Units by Geography	2,744	0.0	0.0	94.1	5.9	0.0
Vacant Units by Geography	1,503	0.0	0.0	87.5	12.5	0.0
Businesses by Geography	1,950	0.0	0.0	83.4	16.6	0.0
Farms by Geography	258	0.0	0.0	77.9	22.1	0.0
Family Distribution by Income Level	7,164	19.1	16.8	22.7	41.5	0.0
Household Distribution by Income Level	11,619	27.6	13.0	17.1	42.4	0.0
Median Family Income Non-MSAs - IL		\$68,958	Median Housing Value			\$98,163
			Median Gross Rent			\$626
			Families Below Poverty Level			10.3%
<i>Sources: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues (GARs). The area is largely rural and heavily dependent on agriculture. According to 2022 D&B data, there were 258 farms in this AA. The GARs of farm businesses operating in the assessment area in 2020 are as follows:

- 99.2 percent have revenues \$1 million or less,
- 0.4 percent have revenues greater than \$1 million, and
- 0.4 percent have unknown revenues.

In addition to agriculture, the local economy remains highly dependent upon small businesses. According to 2022 D&B data, the Montgomery AA had 1,950 non-farm businesses. Gross annual revenues for these businesses are below:

- 77.7 percent have revenues \$1 million or less,
- 4.9 percent have revenues greater than \$1 million, and
- 17.4 percent have unknown revenues.

The 2022 median family income levels from the FFIEC are used to analyze home mortgage loans, in the respective years, under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
IL NA Median Family Income (99999)				
2022 (\$76,100)	<\$38,050	\$38,050 to <\$60,880	\$60,880 to <\$91,320	≥\$91,320
<i>Source: FFIEC</i>				

Major employers in the Montgomery AA are Graham Correctional Center, St. Francis Hospital, Wal-Mart, Dometic, and the Litchfield Community School District. In terms of employment numbers, health care and social assistance services are the most prevalent types of firms, followed by retail and manufacturing. Further, 90.1 percent of businesses have fewer than 10 employees and 84.2 percent operate from a single location. The area's location, situated between mid-size- and larger-urban areas like Springfield, IL and St. Louis, MO, indicates that a good percentage of the area's residents commute to those cities for employment.

As depicted in the following table, unemployment rates in Montgomery County consistently ran higher than national averages during the review period. In addition, while the state average has remained stable from the 2022 average, Montgomery County has seen an upturn in its unemployment rate, evidencing weaker than average opportunities. The following table provides unemployment rates at the county, state, and national levels.

Unemployment Rates in Montgomery County				
Area	Average 2020	Average 2021	Average 2022	October 2023
	%	%	%	%
Montgomery County	8.8	5.6	4.6	5.2
State	9.3	6.1	4.6	4.6
National	8.1	5.3	3.6	3.9
<i>Source: Bureau of Labor Statistics; Illinois Department of Employment Security</i>				

Competition

The assessment area has a moderate level of competition for loans and deposits. Data from the FDIC Deposit Market Share report as of June 30, 2023, shows 23 offices of 11 financial institutions operating within the assessment area. B&T maintains a 21.9 percent deposit market share in the AA, ranking it first among all institutions. The next closest institution had 15.6 percent, indicating that while competitive, B&T is a leader in the market for deposits.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2022, the most recent year for which aggregate data is available, 112 financial institutions reported the origination and purchase of 602 residential mortgage loans. B&T ranked first out of all HMDA reporters with an 11.46 percent market share. The nearest competitor had a 7.81 percent market share and the five most prominent home mortgage lenders accounted for 36.2 percent of the total market share, indicating a competitive market.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also identifies potential credit and community development opportunities. Examiners reached out to one community contact, in this assessment area, primarily engaged in economic development.

The contact stated that the population in Montgomery County is shrinking and aging. Major industries in the county include state government, school districts, banking, restaurants, hospitals, retail stores, hotels, and farming; however, most residents have more than a 20-minute commute for work. The contact stated most employment in the AA consists of low-wage jobs with no benefits. Many factories use temporary agencies to fill positions during busy times to avoid permanently hiring staff. Career and technical jobs are starting to rebound, but more are needed to fill community needs.

The contact stated economic conditions are fair, but stagnant. Housing prices have increased in the past couple of years and there is a very tight market for single-family homes. Primary needs include affordable housing for low- and moderate-income individuals and business loans (building and operating). The contact was unaware of banks not meeting the credit needs of the community.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing, small business, and small farm loans represent primary credit needs in the area. In particular, the percentage of low- and moderate-income families in the assessment area at 35.9 percent and 80.1 percentage of businesses and 99.2 percent of farms with GARs of \$1 million or less support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MONTGOMERY COUNTY

LENDING TEST

B&T exhibited reasonable performance under the Lending Test throughout the Montgomery assessment area. Performance consistent with the overall conclusions was observed for all product lines under the Borrower Profile, as detailed in the supporting comments.

Geographic Distribution

The Montgomery AA does not contain any low- and moderate-income geographies and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among borrowers of different income levels and businesses and farms of different revenue sizes. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers and small business and small farm loans to businesses with gross annual revenues (GARs) of \$1 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers, is reasonable. Examiners focused on the comparison to aggregate data and area demographics for 2022.

As shown in the following table, the bank's performance of lending to low-income borrowers in 2022 is consistent with aggregate data. The table shows the percentage of low-income borrowers in this AA (demographic) was 19.1 percent. It is noted; however, that 10.3 percent of the AA's families had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. When considering these factors, the bank's performance to low-income borrowers is reasonable.

Performance to moderate-income borrowers trailed aggregate performance in 2022, but exceeded area demographics. As previously mentioned, the bank offers a variety of loans that includes down payment assistance through the FHLB's DPP grant program and low-cost loans through the Illinois Community Uplift Program. These types of loans particularly benefit low- and moderate-income borrowers. When considering the bank's actual performance and the special loans program activity, the bank's level of lending to low- and moderate-income individuals is reasonable. The table below provides additional information on the income distribution of home mortgage lending in the AA.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Montgomery County						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	19.1	12.5	7	12.3	383	6.2
Moderate	16.8	23.1	10	17.5	840	13.5
Middle	22.7	22.3	18	31.6	1,468	23.6
Upper	41.5	26.1	20	35.1	2,852	45.8
Not Available	0.0	16.0	2	3.5	681	10.9
Totals	100.0	100.0	57	100.0	6,224	100.0

*Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%*

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. As shown in the following table, 92.2 percent of the small business loans were originated to businesses with GARs of \$1 million or less. B&T's lending performance exceeds the 77.6 percent of businesses who reported revenues of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Montgomery County					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	77.6	31	92.2	1,790	95.0
>\$1,000,000	4.9	3	8.8	95	5.0
Revenue Not Available	17.4	--	--	--	--
Total	100.0	34	100.0	1,885	100.0

*Sources: 2022 D&B Data, Bank Data.
Due to rounding, totals may not equal 100.0%*

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms with GARs of \$1 million or less. While, the bank's performance is reasonable, the number of small farm loans in this AA is low. As shown in the following table, 81.8 percent of the small farm loans were originated to farms with GARs of \$1 million or less. The following table shows the distribution of loans by gross annual revenue.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Montgomery County					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	99.2	9	81.8	382	54.4
>\$1,000,000	0.4	2	18.2	320	45.6
Revenue Not Available	0.4	--	--	--	--
Total	100.0	11	100.0	702	100.0
<i>Sources: 2022 D&B Data, Bank Data. Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

B&T demonstrated adequate responsiveness to the community development needs throughout the Montgomery assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

B&T originated 23 community development loans totaling approximately \$733,000 during the evaluation period. The majority of loans by number and dollar amount were originated in support of economic development. The following table illustrates community development lending activity by year and purpose.

Community Development Lending Assessment Area: Montgomery County										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	--	--	--	--	20	487	2	24	22	511
2022	--	--	--	--	--	--	--	--	--	--
YTD 2023	--	--	--	--	1	222	--	--	1	222
Total	--	--	--	--	21	709	2	24	23	733
<i>Source: Bank Data</i>										

A notable example of a community development loan in the assessment area includes:

- The bank provided financing for a business that will promote economic development in the area in which it is located. The funds will provide operating expenses and will allow the business to expand its operations, retain employees, and create two new positions.

Qualified Investments

B&T made seven qualified investments that support community service totaling approximately \$3.3 million in the Montgomery AA during the evaluation period. In addition, the bank donated approximately \$1,800.00 to 11 organizations in the assessment area that support community services to low- and moderate- income people and organizations.

Community Development Services

The bank has demonstrated adequate responsiveness to community development needs through its services activity. The majority of these activities supported economic development. During the evaluation period, bank employees provided 115 instances of financial expertise or technical assistance in the assessment area. This compares to other institutions operating in the assessment area. Examples of qualifying community development services include:

- Bank employees provide financial expertise to low-and moderate-income individuals when applying for assistance through the FHLB's Downpayment Plus Program (DPP).
- Bank employees provide financial expertise to low-and moderate-income individuals when applying for assistance through the State of Illinois Community Uplift Program.

Springfield, IL MSA (44100) Assessment Area (Sangamon Assessment Area) – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SANGAMON ASSESSMENT AREA

A full-scope review of the bank's performance in the Sangamon Assessment Area was conducted consistent with the scope of the evaluation. This assessment area contains all of Sangamon County, which is part of the Springfield, IL MSA. As previously discussed, two of the seven banking offices are located in this AA where the bank derived 26.5 percent of its deposits, as of June 30, 2023. Additionally, the bank originated approximately 37.4 percent of its home mortgage, 37.7 percent of small business, and 5.6 percent of small farm loans, by number, in this assessment area. As a result, performance in the Sangamon assessment area is weighed equally with the Montgomery AA in the overall CRA rating, and more heavily weighted than the Macoupin AA.

The assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all of the geographies where the bank's office and deposit taking ATM are located.

Economic and Demographic Data

The Sangamon assessment area includes 54 census tracts and has a population of 196,343 according to 2020 U.S. Census data. The AA is comprised of 10 low-income, 14 moderate-income, 14

middle-income and 16 upper-income geographies. The low- and moderate-income geographies are all located within the City of Springfield. The following table illustrates select demographic characteristics of this assessment area.

Demographic Information of the Assessment Area Assessment Area: Sangamon County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	54	18.5	25.9	25.9	29.6	0.0
Population by Geography	196,343	13.1	20.8	28.9	37.2	0.0
Housing Units by Geography	91,952	14.6	23.4	30.1	31.9	0.0
Owner-Occupied Units by Geography	58,861	7.9	19.5	31.9	40.7	0.0
Occupied Rental Units by Geography	25,232	28.0	29.2	26.9	15.8	0.0
Vacant Units by Geography	7,859	21.8	34.4	26.3	17.5	0.0
Businesses by Geography	20,347	13.4	24.6	20.1	42.0	0.0
Farms by Geography	763	5.9	12.8	39.8	41.4	0.0
Family Distribution by Income Level	50,068	23.8	15.8	20.8	39.6	0.0
Household Distribution by Income Level	84,093	25.1	15.9	16.9	42.0	0.0
Median Family Income MSA - 44100 Springfield, IL MSA		\$83,948	Median Housing Value			\$137,014
			Median Gross Rent			\$823
			Families Below Poverty Level			9.7%
Sources: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues (GARs). According to 2022 D&B data, there were 763 farms in this AA. The GARs of businesses operating in the assessment area in 2020 are as follows:

- 97.7 percent have revenues less than \$1 million,
- 0.8 percent have revenues greater than \$1 million, and
- 1.4 percent have unknown revenues.

In addition to agriculture, the local economy remains highly dependent upon small businesses. According to 2022 D&B data, the Montgomery AA had 17,182 non-farm businesses. Gross annual revenues for these businesses are below:

- 84.4 percent have revenues less than \$1 million,
- 3.7 percent have revenues greater than \$1 million, and
- 11.8 percent have unknown revenues.

The 2022 FFIEC-updated Median Family Income (MFI) level is used to analyze home mortgage loans under the Borrower Profile criterion. The table below contains information on the median family incomes by category.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield, IL MSA Median Family Income (44100)				
2022 (\$95,400)	<\$47,700	\$47,700 to <\$76,320	\$76,320 to <\$114,480	≥\$114,480
<i>Source: FFIEC</i>				

In terms of the number of employment, health care and social assistance services are the most prevalent types of firms, followed by public administration and educational services. Major employers in the Sangamon AA are State of Illinois, Memorial Health Systems, HSHS, and Springfield Clinic. These major employers, including the State of Illinois that employs approximately 17,800 people, provide stability to the area.

As depicted in the following table, unemployment rates in Sangamon County consistently ran slightly lower than state averages and slightly higher than national averages during the review period.

Unemployment Rates in Sangamon County				
Area	Average 2020	Average 2021	Average 2022	October 2023
	%	%	%	%
Sangamon County	8.3	5.6	4.1	4.2
State	9.3	6.1	4.6	4.6
National	8.1	5.3	3.6	3.9
<i>Source: Bureau of Labor Statistics; Illinois Department of Employment Security</i>				

Competition

The assessment area has a significant level of competition for loans and deposits. Data from the FDIC Deposit Market Share report as of June 30, 2023, shows 76 offices of 24 financial institutions operating within the assessment area. B&T maintains a 1.23 percent deposit market share in the assessment area, ranking it 15th among all institutions.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2022, the most recent year for which aggregate data is available, 7,388 residential mortgage loans were originated or purchased. B&T ranked 22nd out of all HMDA reporters with a 0.99 percent market share. The five most prominent home mortgage lenders accounted for 35.31 percent of the total market share, indicating a competitive market. For 2022, 276 financial institutions reported HMDA loans in Sangamon County.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also identifies potential credit and community development opportunities. Examiners reached out to one community contact, in this assessment area, primarily engaged in economic development.

The contact stated that the population in Sangamon County is aging, but consistent. Major employers are hospitals and healthcare, public administration and government, along with school districts and universities. The workforce has recovered since the Covid-19 pandemic. Housing prices have increased in the past couple of years and there is a very tight market for single-family homes. Primary needs include affordable housing for low- and moderate-income individuals. The contact was unaware of banks not meeting the credit needs of the community.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing loans, small business, and community services represent primary credit needs in the area. In particular, the percentage of low- and moderate-income families in the assessment area at 39.6 percent and 69.7 percentage of businesses and 97.7 percent of farms with GARs of \$1 million or less support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SANGAMON COUNTY

LENDING TEST

B&T exhibited reasonable performance under the Lending Test throughout the Sangamon assessment area. Both the Geographic Distribution and the Borrower Profile performance support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AA. The performance of home mortgage and small business loans supports this conclusion. No meaningful analysis could be drawn for small farm loans due to low lending volume. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts. Examiners only considered loans originated within this AA for the review.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the comparison of aggregate data for the bank's 2022 performance. The bank's performance in both the low- and moderate-income census tracts exceeds aggregate data and area demographics. The bank originated 8.2 percent and 26.2 percent of its loans in the low- and moderate-income census tracts, respectively. As indicated by the assessment area demographics, there are few owner-occupied housing units in low-income census tracts. Overall, the level of lending is reasonable.

Geographic Distribution of Home Mortgage Loans Assessment Area: Sangamon County						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	7.9	6.3	5	8.2	163	1.8
Moderate	19.5	24.4	16	26.2	1,308	14.2
Middle	31.9	28.9	9	14.8	2,058	22.2
Upper	40.7	40.4	31	50.8	5,721	61.8
Totals	100.0	100.0	61	100.0	9,250	100.0
<i>Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the AA. The bank's lending performance in the low-income census tracts significantly exceeds the area demographics in 2022, but trails in the moderate-income census tracts. When considered wholly, the bank is only slightly below combined demographics. It is also noted that the bank's performance has improved considerably since the previous evaluation, when the bank originated two small business loans in the low- and moderate-income tracts, or 5.2 percent by number and 3.7 percent by dollar. Considering the number of other financial institutions in the assessment area and the location of bank branches to the low- and moderate-income tracts, the bank's performance is reasonable. The following table provides additional information.

Geographic Distribution of Small Business Loans Assessment Area: Sangamon County					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	13.4	12	27.9	3,037	34.3
Moderate	24.6	4	9.3	1,505	17.1
Middle	20.1	12	27.9	2,265	25.6
Upper	42.0	15	34.9	2,036	23.0
Totals	100.0	43	100.0	8,843	100.0
<i>Sources: 2022 D&B Data; Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The bank originated only one small farm loan in the Sangamon AA in 2022 in an upper-income census tract, which makes drawing meaningful conclusions difficult. While the bank originated no small farm loans in the low- or moderate-income census tracts, the number of farms in those tracts is very low, and those tracts are located farther from the bank's branches. The assessment area's low- and moderate-income tracts are located in the downtown Springfield area and small farms in these tracts are most likely hobby farms that do not typically seek traditional financing. Opportunities for the bank to lend in these tracts is minimal, as the AA is highly competitive with 24 institutions operating 76 branches.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's reasonable performance of home mortgage and small business lending supports this conclusion. No meaningful analysis could be drawn for small farm loans due to low lending volume. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business to businesses with GARs of \$1 million or less. Only loans located inside the AA are included in the analyses.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the AA when considering factors such as demographic factors and competition in the area.

As shown in the following table, the bank's performance of lending to low-income borrowers in 2022 is slightly higher than aggregate performance. The table shows the percentage of low-income borrowers in this AA (demographic) was 23.8 percent. It is noted that the AA has 10.3 percent of families that had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. In line with the poverty level at 10.3 percent, a low-income family in the Sangamon AA, with an income of \$47,700 or less, would not likely qualify for or have the capacity to support a mortgage under conventional underwriting standards, especially considering the median housing value of \$137,014. When considering the consistent performance to aggregate and poverty level, the bank's performance to low-income borrowers is reasonable.

Performance to moderate-income borrowers trailed aggregate performance in 2022, but was only slightly less than area demographics. As previously mentioned, the bank offers a variety of loans that assist low- and moderate-income borrowers, such as the down payment program through the FHLB and the Illinois Community Uplift Program. When considering the bank's overall lending performance, including the special loan program activity, the bank's level of lending to low- and moderate-income individuals is reasonable. The following table below provides additional information.

**Distribution of Home Mortgage Loans by Borrower Income Level
Assessment Area: Sangamon County**

Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	23.8	14.1	9	14.8	660	7.1
Moderate	15.8	19.1	8	13.1	671	7.3
Middle	20.8	18.1	6	9.8	952	10.3
Upper	39.6	27.3	27	44.3	4,730	51.1
Not Available	0.0	21.5	11	18.0	2,237	24.2
Totals	100.0	100.0	61	100.0	9,250	100.0

*Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%*

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. As shown in the following table, the bank made a majority, 65.1 percent, of the small business loans to businesses with GARs of \$1 million or less. While the percentage of loans originated to such small businesses is below the percentage of businesses in this demographic, the bank’s lending performance is comparable and still considered reasonable, especially considering almost 12 percent of businesses did not report gross annual revenues. Additionally, of the 14 loans originated to businesses with GARs of over \$1 million, eight of those are to two borrowers. The Springfield AA is also highly competitive with 24 institutions operating 76 branches. The following table provides further details on the revenue distribution of small business loans in the AA.

**Distribution of Small Business Loans by Gross Annual Revenue Category
Assessment Area: Sangamon County**

Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	84.4	28	65.1	4,521	51.1
>\$1,000,000	3.7	14	32.6	4,226	47.8
Revenue Not Available	11.8	1	2.3	96	1.1
Total	100.0	43	100.0	8,843	100.0

*Sources: 2022 D&B Data, Bank Data.
Due to rounding, totals may not equal 100.0%*

Small Farm Loans

It is difficult to draw a meaningful conclusion of the bank’s small farm lending in the Sangamon AA. While the bank only made one small farm loan during the evaluation period, it was to a borrower with GAR less than \$1 million. While agricultural lending is a business focus of the bank overall, the majority of farm loans are originated in Montgomery County, followed by Macoupin

County. Additionally, opportunities for the bank to lend in these tracts is minimal, as the AA is highly competitive with 24 institutions operating 76 branches.

COMMUNITY DEVELOPMENT TEST

B&T demonstrated adequate responsiveness to the community development needs of its Sangamon assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

B&T made an adequate level of community development loans in the Sangamon AA. The bank originated 10 community development loans totaling approximately \$4.8 million. The following table illustrates community development lending activity by year and purpose.

Community Development Lending Assessment Area: Sangamon County										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	--	--	--	--	--	--	--	--	--	--
2022	1	192	1	48	3	1,266	4	3,116	9	4,622
YTD 2023	1	162	--	--	--	--	--	--	1	162
Total	2	354	1	48	3	1,266	4	3,116	10	4,784

Source: Bank Data

Below are notable examples of the bank’s community development loans in the AA:

- The bank originated a \$2.4 million dollar loan to a business located in a low-income geography that will help revitalize and stabilize the neighborhood in which it is located. This business also provides employment to low- and moderate-income individuals.
- The bank provided financing for a business that will provide housing to six low- and moderate-income individuals by offering rents below fair market rents. This loan promotes affordable housing.
- The bank originated a \$760,000 loan to a business that operates a strip mall that houses businesses that employ low-and moderate-income individuals. This loan promotes economic development.

Qualified Investments

B&T made one qualified investment during the review period in the Sangamon AA of \$460,100 that supports community service. In addition, the bank made charitable donations of approximately

\$150 to two organizations in the assessment area that support community services to low- and moderate- income people and organizations.

Community Development Services

The bank has demonstrated adequate responsiveness to community development needs through its services activity. The majority of these activities supported economic development. During the evaluation period, bank employees provided 59 instances of financial expertise or technical assistance in the assessment area. This compares to other institutions operating in the assessment area. Examples of qualifying community development services include:

- Bank employee provided financial assistance to a minority-owned business to obtain a State of Illinois Community Business Uplift loan of \$3.7 million.
- Bank employees provided financial expertise to low-and moderate-income individuals when applying for assistance through the FHLB's Downpayment Plus Program (DPP).
- Bank employees provided financial expertise to low-and moderate-income individuals when applying for assistance through the State of Illinois Community Uplift Program.

St. Louis MO IL MSA Assessment Area (Macoupin Assessment Area) – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MACOUPIN ASSESSMENT AREA

A full-scope review of the bank's performance in the Macoupin Assessment Area was conducted consistent with the scope of the evaluation. This assessment area contains all of Macoupin County, which is part of the St. Louis, MO IL MSA. As previously mentioned, one of the seven banking offices is located in this AA. The bank derived 10.9 percent of its deposits from this AA, as of June 30, 2023 and originated approximately 27.6 percent of its home mortgage, 32.5 percent of small business, and 33.3 percent of small farm loans, by number, in this assessment area. As a result, performance in the Macoupin AA is weighed less heavily in the overall rating than the Montgomery and Sangamon County assessment areas.

The assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all of the geographies where the bank's office and deposit taking ATM are located.

Economic and Demographic Data

The Macoupin assessment area includes 13 census tracts and has a population of 44,967. Macoupin County is largely rural, with the largest towns being Carlinville (population 5,710), Staunton (population 4,972), and Gillespie (population 3,121). According to 2020 ACS data, this AA is

comprised of eight moderate-income and five middle-income geographies. This is a change from the last performance evaluation in which the AA only included one moderate-income geography. The following table illustrates select demographic characteristics of this assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Macoupin County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	61.5	38.5	0.0	0.0
Population by Geography	44,967	0.0	61.7	38.3	0.0	0.0
Housing Units by Geography	21,769	0.0	62.9	37.1	0.0	0.0
Owner-Occupied Units by Geography	13,986	0.0	60.9	39.1	0.0	0.0
Occupied Rental Units by Geography	4,591	0.0	70.5	29.5	0.0	0.0
Vacant Units by Geography	3,192	0.0	60.5	39.5	0.0	0.0
Businesses by Geography	2,777	0.0	62.0	38.0	0.0	0.0
Farms by Geography	319	0.0	45.1	54.9	0.0	0.0
Family Distribution by Income Level	12,528	29.0	20.7	21.2	29.1	0.0
Household Distribution by Income Level	18,577	29.8	17.5	18.7	34.1	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$84,758	Median Housing Value			\$109,317
			Median Gross Rent			\$745
			Families Below Poverty Level			9.1%
Sources: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (* The NA category consists of geographies that have not been assigned an income classification.						

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by gross annual revenues (GARs). While Macoupin County is part of the St. Louis, MO IL MSA, the county is largely rural and reliant upon agriculture. According to 2022 D&B data, there were 319 farms in this AA. The GARs of businesses operating in the assessment area in 2020 are as follows:

- 98.4 percent have revenues less than \$1 million,
- 0.9 percent have revenues greater than \$1 million, and
- 0.6 percent have unknown revenues,

While rural and reliant upon agricultural industry, its location results in reliance on both the St. Louis and Springfield assessment areas. According to 2022 D&B data, the Montgomery AA had 2,777 non-farm businesses. Gross annual revenues for these businesses are below:

- 83.6 percent have revenues less than \$1 million,
- 4.2 percent have revenues greater than \$1 million, and

- 12.3 percent have unknown revenues.

Major employers in the Macoupin AA are Blackburn College, Karmak Technologies, and Prairie Farms. In terms of the employment industries, health care and social assistance services are the most prevalent types of firms, followed by manufacturing and retail. Further, 92.1 percent of businesses have fewer than 10 employees and 88.6 percent operate from a single location. The area's location, situated between mid-size- and larger-urban areas like Springfield, IL and St. Louis, MO, indicates that a good percentage of the area's residents commute to those areas for employment.

As depicted in the following table, unemployment rates in Macoupin County have fluctuated greatly during the review period. Currently, as of October 2023, unemployment is 1.5 percentage points higher than the average in 2022 and is both higher than the state and national levels.

Unemployment Rates in Macoupin County				
Area	Average 2020	Average 2021	Average 2022	October 2023
	%	%	%	%
Macoupin County	7.0	4.6	3.7	5.2
State	9.3	6.1	4.6	4.6
National	8.1	5.3	3.6	3.9

Source: Bureau of Labor Statistics; Illinois Department of Employment Security

The 2022 FFIEC-updated Median Family Income (MFI) level is used to analyze home mortgage loans under the Borrower Profile criterion. The table below contains information on the median family incomes by category.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2022 (\$96,800)	<\$48,400	\$48,400 to <\$77,440	\$77,440 to <\$116,160	≥\$116,160

Source: FFIEC

Competition

The assessment area has a significant level of competition for loans and deposits. Data from the FDIC Deposit Market Share report as of June 30, 2023, shows 23 offices of 13 financial institutions operating within the assessment area. B&T maintains a 3.7 percent deposit market share in the assessment area, ranking it 10th among all institutions.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2022, the most recent year for which aggregate data is available, 1,784 residential mortgage loans were originated or purchased. B&T ranked eighth out of all HMDA reporters with a 2.8 percent market share. The five most prominent home mortgage lenders accounted for 34.5 percent of the total market share, indicating a competitive market. For 2022, 159 financial institutions reported HMDA loans in Macoupin County.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also identifies potential credit and community development opportunities. Examiners reached out to one community contact, in this assessment area, primarily engaged in the housing market.

The contact stated that the population in Macoupin County is decreasing slightly, with the average age increasing. Major industries are school districts, manufacturing plants, and farming, with residents commuting to Springfield or St. Louis for employment. The representative noted a low availability of affordable housing, but was unaware of banks not meeting the credit needs of the community.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that affordable housing loans represent primary credit needs in the area, followed by small business and small farm lending. In particular, the percentage of low- and moderate-income families in the assessment area at 49.7 percent and over 83.6 percentage of businesses and 98.4 percent of farms with GARs of \$1 million or less support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MACOUPIN ASSESSMENT AREA

LENDING TEST

B&T exhibited reasonable performance under the Lending Test throughout the Macoupin AA when considering the assessment area's demographics, aggregate lending distributions, and performance context.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The performance of home mortgage, small business, and small farm lending supports this conclusion. Examiners focused on the percentage by number of loans in moderate-income census tracts in the assessment area, as there are no low-income tracts. Examiners only considered loans originated within this assessment area for the review.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. Examiners focused on the comparison of aggregate data for the bank's 2022 performance. As mentioned earlier, there are no low-income census tracts in the AA. The bank exceeded aggregate performance and the percentage of owner-occupied housing units.

Geographic Distribution of Home Mortgage Loans Assessment Area: Macoupin County						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate	60.9	63.5	30	66.7	3,026	58.7
Middle	39.1	36.5	15	33.3	2,127	41.3
Totals	100.0	100.0	45	100.0	5,153	100.0

Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data.
Due to rounding, totals may not equal 100.0%

Small Business Loans

B&T's geographic distribution of small business loans by census tract income level reflects reasonable dispersion throughout its Macoupin assessment area. B&T originated 75.7 percent of loans in the moderate-income tracts, which exceeds the 62 percent of businesses located in that tract. The following table reflects the geographic distribution of small business loans within the Macoupin AA.

Geographic Distribution of Small Business Loans Assessment Area: Macoupin County					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate	62.0	28	75.7	3,309	81.1
Middle	38.0	9	24.3	769	18.9
Totals	100.0	37	100.0	4,078	100.0

Sources: 2022 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%

Small Farm Loans

B&T's geographic distribution of small farms loans by census tract income level reflects reasonable dispersion throughout its Macoupin assessment area. As previously mentioned, there are no low-income census tracts in the AA. The bank originated six small farm loans in 2022, two within the moderate-income tracts. While small farm lending trailed the percentage of farms, these tracts are located further from the bank's single branch in the AA. Again, while the bank continues to consider agricultural lending a focus, consolidation in farming operations has impacted their activity in this sector. Additionally, competition is high with other financial institutions located nearer to these tracts, which further impedes the opportunities to lend in these tracts.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's reasonable performance of home mortgage, small business, and small farm lending supports this conclusion. Examiners focused on

the percentage of home mortgage loans to low- and moderate-income borrowers and the percentage of small businesses and small farm loans to businesses with GARs of \$1 million or less. Only loans located inside the assessment area are included in the analyses.

Home Mortgage Loans

As shown in the following table, the bank’s performance of lending to low-income borrowers in 2022 is slightly higher than aggregate. The table shows the percentage of low-income borrowers in this AA (demographic) was 29 percent. It is noted, 9.1 percent of the AA’s families had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. When considering aggregate performance and poverty level, the bank’s performance to low-income borrowers is reasonable.

Performance to moderate-income borrowers slightly trailed aggregate performance in 2022, but was higher than area demographics. As previously mentioned, the bank also offers a variety of loans that includes low down payment home mortgage loan products and participation in down payment assistance grant programs. These types of loans particularly benefit low- and moderate-income borrowers. When considering the bank’s overall lending performance, including the special loan program activity, the bank’s level of lending to low- and moderate-income individuals is reasonable. The following table below provides additional information.

Distribution of Home Mortgage Loans by Borrower Income Level Assessment Area: Macoupin County						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	29.0	23.9	11	24.4	827	16.0
Moderate	20.7	25.7	10	22.2	1,020	19.8
Middle	21.2	21.3	18	40.0	2,606	50.6
Upper	29.1	13.2	6	13.3	700	13.6
Not Available	0.0	15.9	0	0.0	0	0.0
Totals	100.0	100.0	45	100.0	5,153	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. As shown in the following table, 92.9 percent of the small business loans were originated to businesses with GARs of \$1 million or less. The bank also made two loans to new businesses with unknown revenues. Considering this performance context, the bank’s level of lending to small businesses is consistent with the percentage of businesses with GARs of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category Assessment Area: Macoupin County					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000	98.4	34	92.9	3,307	81.1
>\$1,000,000	0.9	3	8.1	771	18.9
Revenue Not Available	0.6	--	--	--	--
Total	100.0	37	100.0	4,078	100.0
<i>Sources: 2022 D&B Data, Bank Data.</i> <i>Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms with GARs of \$1 million or less. As shown in the following table, while the volume of originations is low, 100 percent of the small farm loans were originated to farms with GARs of \$1 million or less. This performance is consistent with the 98.4 percent of farms operating at the same revenue level in the Macoupin AA. The following table shows the distribution of loans by gross annual revenue.

Distribution of Small Farm Loans by Gross Annual Revenue Category Assessment Area: Macoupin County					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<=\$1,000,000	98.4	6	100.0	229	100.0
>\$1,000,000	0.9	--	--	--	--
Revenue Not Available	0.6	--	--	--	--
Total	100.0	6	100.0	229	100.0
<i>Source: 2022 D&B Data, Bank Data.</i> <i>Due to rounding, totals may not equal 100.0%</i>					

COMMUNITY DEVELOPMENT TEST

B&T demonstrated adequate responsiveness to the community development needs throughout the Macoupin assessment area through community development loans, qualified investments, and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities.

Community Development Loans

B&T originated three community development loans totaling \$178,000 in the Macoupin AA during the evaluation period. The following table illustrates community development lending by year and purpose.

Community Development Lending Assessment Area: Macoupin County										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	--	--	--	--	--	--	--	--	--	--
2022	--	--	--	--	--	--	--	--	--	--
YTD 2023	1	29	1	128	--	--	1	21	3	178
Total	1	29	1	128	--	--	1	21	3	178

Source: Bank Data

Qualified Investments

B&T made two qualified investments during the review period in the Macoupin AA of \$475,000 that support community service. The assessment area has limited qualified investments available, and it is often difficult for small community banks to compete with the large nationwide and regional banks in the MSA.

Community Development Services

The bank has demonstrated adequate responsiveness to community development needs through its services activity. The majority of these activities supported economic development. During the evaluation period, bank employees provided 58 instances of financial expertise or technical assistance in the assessment area. This compares to other institutions operating in the assessment area. Examples of qualifying community development services include:

- Bank employees provided financial expertise to low-and moderate-income individuals when applying for assistance through the FHLB’s Downpayment Plus Program (DPP).
- Bank employees provided financial expertise to low-and moderate-income individuals when applying for assistance through the State of Illinois Community Uplift Program.
- Bank employees provided financial expertise to small businesses located in low-and moderate-income geographies when applying for assistance through the State of Illinois Community Business Uplift Program.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income 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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, 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 (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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

Qualified Investment: A 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

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

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating 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.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



PUBLIC DISCLOSURE

December 14, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Security National Bank
Charter Number 13650

1 West Broadway, Witt, Illinois 62094

Office of the Comptroller of the Currency

211 Fulton Street
Suite 604
Peoria, Illinois 61602

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated **Satisfactory**.

The lending test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based on the performance in the state of Illinois.
- The borrower distribution is reasonable.
- The geographic distribution is reasonable.
- A majority of loans were originated inside the assessment area (AA).
- The loan-to-deposit (LTD) ratio is reasonable.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable.

The quarterly LTD averaged 75.1 percent over the 21 quarters from September 30, 2015, through September 30, 2020, with a low of 70.5 percent and a high of 81.0 percent.

The bank ranked 5th of 14 similarly sized and located community banks that compete with the bank for deposits in the AA. The comparable institutions ranged in size from \$24.1 million to \$225.3 million, at September 30, 2020. The quarterly averages for similarly situated banks over the same period ranged from 32.3 percent to 97.3 percent. The LTD ratio is calculated on a bank-wide basis.

Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and purchased 83.3 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	19	79.2	5	20.8	24	2,106	68.9	951	31.1	3,056
Consumer	21	87.5	3	12.5	24	125	73.0	46	27.0	171
Total	40	83.3	8	16.7	48	2,231	69.1	997	30.9	3,227

Source: Random sample of Agriculture and Consumer loans originated or purchased from January 1, 2017 to December 31, 2019.

Description of Institution

Security National Bank (SNB or bank) is an intrastate bank headquartered in Witt, Illinois, with total assets of \$90.5 million at September 30, 2020. The bank is owned by Security Bancshares, Inc, a one bank holding company headquarter in Witt, Illinois with total assets of \$90.5 million at September 30, 2020. The holding company does not negatively impact the bank's ability to meet the credit needs of the community.

The CRA evaluation has one rating area for the one AA. The NonMSA AA is composed of the southwest portion of Christian County, the northwest portion of Fayette County, and the eastern portion of Montgomery County. The AA does not reflect illegal discrimination or arbitrarily excluded LMI geographies.

All four branches are located in Montgomery County. The bank's branches offer drive-through services and provide banking services on Saturday. Customers also have banking access through online and mobile platforms. There were no branch closures or openings during the evaluation period.

SNB's mission is to be recognized by clients as a safe, sound institution possessing impeccable integrity and superb service quality, while providing consistently excellent returns on investments to shareholders, and to be a well-managed, highly compliant, and financially strong bank. The bank's lending is largely focused on agriculture and agriculture related businesses but also offers a range of products for residential and consumer purposes.

Agriculture loans represent the largest portfolio at \$24.3 million, followed by residential loans at \$15.3 million, commercial loans at \$11.6 million, and consumer loans at \$1.7 million, per Call Report data at September 30, 2020.

SNB reported a net loans and leases to total assets ratio of 57.60 percent and a tier 1 leverage capital ratio of 9.4 percent, at September 30, 2020.

There are no legal or financial circumstances that impede the bank's ability to meet the credit needs of its AAs.

The previous CRA rating, which the OCC determined using the Small Bank evaluation procedures, was Outstanding, as detailed in the PE dated September 29, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period covers the period from the date of the previous CRA PE of September 29, 2015, through December 14, 2020. We evaluated SNB under the Small Bank evaluation procedures, which includes a Lending Test.

The Lending Test evaluated primary loan products originated or purchased between January 1, 2017, and December 31, 2019, and were compared to the 2015 American Community Survey Census Data.

The primary loan products for the evaluation were determined to be agriculture and consumer loans. The bank originated or purchased over 1,400 loans totaling \$59.3 million, with agriculture and consumer

loans accounting for 21.0 percent and 52.0 percent by number of originations and purchases, respectively, between January 1, 2017, and December 31, 2019, per bank data.

With an evaluation period end date of December 31, 2019, qualifying activities performed in response to the significant impact of the coronavirus pandemic on economies across the United States are not addressed in this evaluation. Bank qualifying activities will be appropriately considered in the subsequent evaluation.

Selection of Areas for Full-Scope Review

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

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

SNB’s one AA is located within the state of Illinois.

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

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Illinois

CRA rating for the State of Illinois¹: Satisfactory

The Lending Test is rated: Satisfactory

The major factors that support this rating include:

- The borrower distribution is reasonable. The borrower distribution of farm loans is reasonable and consumer loans is excellent.
- The geographic distribution is reasonable. The geographic distribution of farm loans is reasonable and consumer loans is excellent.

Description of Institution's Operations in Illinois

The bank offers lending options for agriculture, business, consumer, and residential needs. The bank serves its AA credit and banking needs primarily through branches located in Montgomery County. Customers have additional banking access through internet and mobile platforms. Two branches are located in moderate-income geographies and two branches are located in distressed middle-income geographies. The geographies are distressed due to high levels of unemployment.

Competition for loans and deposits is moderate to high due to the number of banks in the AA. SNB competes with national banks, state banks, and farm credit institutions. SNB held a 3.3 percent deposit market share, and ranked 12th of 27 FDIC insured financial institutions competing for the areas \$2.2 billion in deposits, at June 30, 2020.

Large economic sectors include agriculture, retail trade and service businesses. Larger employers in the AA include local school districts, healthcare facilities, a correctional facility, and a nationwide discount department store.

The annual unemployment rate in the State of Illinois had been declining during the evaluation period. The unemployment rate was 4.9 percent in 2017, which declined to 4.3 percent in 2018, and further declined to 4.0 percent in 2019. All three counties in the AA had declining annual unemployment rates during the evaluation period but compared unfavorably to the State of Illinois in 2019 with Christian County at 4.8 percent, Fayette County at 4.4 percent, and Montgomery County at 5.2 percent.

We contacted three individuals representing an economic development group, a realty group, and a farm advocacy group. The contacts described the economic condition from declining to stagnant. While some new businesses have opened, business development is limited as many of the area's small towns suffer from empty storefronts, declines in real estate demand, and job losses from coal related industries. Agriculture remains an important industry in the area but the high cost barriers to entry create significant barriers to new farmers.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

One contact spoke on the need for more fixed-rate financing. A second contact felt the credit and banking needs were being met. A third contact spoke on the need for SBA and USDA credit opportunities and need for small and micro lending to help small businesses. The contacts similarly discussed limited community development opportunities for bank involvement in the community.

The contacts did not have any negative perceptions of SNB.

Non-MSA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA, 2015 ACS US Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	25.0	75.0	0.0	0.0
Population by Geography	32,869	0.0	12.1	87.9	0.0	0.0
Housing Units by Geography	12,717	0.0	15.3	84.7	0.0	0.0
Owner-Occupied Units by Geography	8,608	0.0	13.6	86.4	0.0	0.0
Occupied Rental Units by Geography	2,109	0.0	17.1	82.9	0.0	0.0
Vacant Units by Geography	2,000	0.0	20.6	79.4	0.0	0.0
Businesses by Geography	1,603	0.0	15.5	84.5	0.0	0.0
Farms by Geography	216	0.0	24.1	75.9	0.0	0.0
Family Distribution by Income Level	7,544	19.9	19.0	21.8	39.2	0.0
Household Distribution by Income Level	10,717	22.6	15.3	18.9	43.2	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$86,316
			Median Gross Rent			\$603
			Families Below Poverty Level			9.0%
<i>Source: 2015 ACS and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in Illinois

The Non-MSA AA received a full-scope review. More weight was placed on agriculture performance due to the strategic focus of the bank. More weight was placed on demographic performance than aggregate performance due to the limited number of banks in the AA reporting small farm data.

LENDING TEST

The bank's performance under the Lending Test in Illinois is rated Satisfactory

Conclusions for Area Receiving a Full-Scope Review

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

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the State.

The geographic distribution of farm loans is reasonable and consumer loans is excellent. There were no low-income geographies during the evaluation period.

Small Loans to Farms

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

The geographic distribution is reasonable.

The proportion of lending to farms in moderate-income geographies was near to the percentage of farms in moderate-income geographies and significantly exceeded the aggregate lending.

Consumer Loans

Refer to Table U in the state of Illinois section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution is excellent.

The proportion of lending to borrowers in moderate-income geographies significantly exceeded the percentage of households in moderate-income geographies.

Lending Gap Analysis

We performed a lending gap analysis that included a review of geocoded sample of loans and compared the distribution to AA maps and location of branches. We did not identify any unexplained conspicuous gaps in lending.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and farms of different sizes, given the product lines offered by the bank.

Small Loans to Farms

Refer to Table T in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The borrower distribution is reasonable.

The proportion of loans to small farms was near to the percentage of small farms and significantly exceeded the aggregate lending.

Consumer Loans

Refer to Table V in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution is excellent.

The proportion of loans to low- and moderate-income borrowers exceeded both the percentage of low- and moderate-income households.

Appendix A: Scope of Examination

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

Time Period Reviewed:	January 1, 2017 to December 31, 2019	
Bank Products Reviewed:	Small farm, Consumer loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA	NA	NA
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
States		
Illinois		
Non-MSA	Full-Scope	Portions of Christian, Fayette, and Montgomery

Appendix B: Summary of MMSA and State Ratings

RATINGS	Security National Bank
Overall Bank:	Lending Test Rating
Security National Bank	Satisfactory
State:	
Illinois	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography

Assessment Area:	Total Loans to Farms			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$ (000s)	% of Total	% Overall Market	% Farms	% Bank Loans	% Aggregate	% Farms	% Bank Loans	% Aggregate	% Farms	% Bank Loans	% Aggregate	% Farms	% Bank Loans	% Aggregate	% Farms	% Bank Loans
Non-MSA	20	2,121	100	43	0.0	0.0	0.0	24.1	20.0	11.6	75.9	75.0	88.4	0.0	5.0	0.0	0.0	0.0
Total	20	2,121	100	43	0.0	0.0	0.0	24.1	20.0	11.6	75.9	75.0	88.4	0.0	5.0	0.0	0.0	0.0

*Source: 2019 D&B Data: 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data; "-" data not available.
Due to rounding, totals may not equal 100.0%*

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues

Assessment Area:	Total Loans to Farms			Farms with Revenues <= 1MM			Farms with Revenues > 1MM			Farms with Revenues Not Available	
	#	\$ (000s)	% of Total	% Overall Market	% Farms	% Bank Loans	% Farms	% Bank Loans	% Farms	% Bank Loans	
Non-MSA	20	2,120	100	43	99.5	85.0	0.0	10.0	0.5	5.0	
Total	20	2,120	100	43	99.5	85.0	0.0	10.0	0.5	5.0	

*Source: 2019 D&B Data: 01/01/2017 - 12/31/2019 Bank Data; 2018 CRA Aggregate Data; "-" data not available.
Due to rounding, totals may not equal 100.0%*

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography

Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$ (000s)	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	
Non-MSA	21	125	100	0.0	0.0	14.3	23.8	85.7	76.2	0.0	0.0	0.0	
Total	21	125	100	0.0	0.0	14.3	23.8	85.7	76.2	0.0	0.0	0.0	

*Source: 2015 ACS Census: 01/01/2017 - 12/31/2019 Bank Data.
Due to rounding, totals may not equal 100.0%*

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower											2017-19		
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Non-MSA	21	125	100	22.6	33.3	15.3	33.3	18.9	9.5	43.2	14.3	0.0	9.5
Total	21	125	100	22.6	33.3	15.3	33.3	18.9	9.5	43.2	14.3	0.0	9.5

Source: 2015 ACS Census: 01/01/2017 - 12/31/2019 Bank Data.
 Due to rounding, totals may not equal 100.0%