



**PUBLIC DISCLOSURE**

March 29, 2021

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

Peoples National Bank, N.A.  
Charter Number 9408

108 South Washington  
McLeansboro, IL 62859

Office of the Comptroller of the Currency

500 North Broadway St, Suite 1700  
St. Louis, MO 63102

**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 **Outstanding**.

**The Lending Test is rated: Outstanding.**

**The Community Development (CD) Test is rated: Outstanding.**

The major factors that support this rating include:

- The Lending Test rating is based on the combined ratings of Illinois and the St. Louis Multistate Metropolitan Statistical Area (MMSA) listed in order of weight.
- The CD Test rating is based on the combined ratings of Illinois and the St. Louis MMSA listed in order of weight.
- The bank's loan-to-deposit (LTD) ratio is more than reasonable with a quarterly average of 100.5 percent during the evaluation period.
- A majority of the bank's loans are inside its assessment areas (AAs).
- The bank received no CRA-related complaints during the evaluation period.

## Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's LTD ratio is more than reasonable. Peoples National Bank's (PNB or bank) quarterly LTD ratio averaged 100.5 percent over the 12-quarter period ending December 31, 2020. Over this period, the bank's quarterly LTD ratio ranged from a low of 97.7 percent to a high of 105.2 percent.

We analyzed the quarterly LTD ratios of eight similarly situated federal and state banks based on a combination of size, location (including at least one competitor headquartered in each AA), and lending opportunities. The banks ranged in size from \$569 million to \$2.3 billion, with a combined average quarterly LTD ratio of 89.2 percent over the same evaluation period. The lowest individual quarterly average was 72.9 percent, while the highest individual quarterly average was 98.3 percent. PNB ranked first among the group. The table below lists the similarly situated banks (including PNB) with corresponding average quarterly LTD ratios and total assets.

Institution	Location	Avg. Quarterly LTD Ratio	Total Assets (\$000s)
<b>Peoples National Bank, N.A.</b>	<b>Hamilton County, IL</b>	<b>100.5%</b>	<b>\$ 1,492,816</b>
Midwest Bankcentre	St. Louis County, MO	98.3%	\$ 2,273,804
The Fairfield National Bank	Wayne County, IL	97.8%	\$ 626,354
Royal Banks of Missouri	St. Louis County, MO	96.7%	\$ 864,812
Cass Commercial Bank	St. Louis County, MO	95.8%	\$ 1,242,688
Jefferson Bank and Trust Company	St. Louis City, MO	93.2%	\$ 686,706
Banterra Bank	Williamson County, IL	85.7%	\$ 2,294,776
Legence Bank	Saline County, IL	73.1%	\$ 595,880
First National Bank of Carmi	White County, IL	72.9%	\$ 569,044

*Source: Quarterly Call Reports from March 31, 2018 to December 31, 2020.*

## Lending in Assessment Area

A majority of the bank's loans are inside its AAs. The bank originated and purchased 74 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank rather than the AA level.

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	2,730	74.0	960	26.0	3,690	447,978	66.2	228,604	33.8	676,582
Small Business	14	70.0	6	30.0	20	4,010	92.1	344	7.9	4,354
Small Farm	17	85.0	3	15.0	20	4,116	90.7	423	9.3	4,539
<b>Total</b>	<b>2,761</b>	<b>74.0</b>	<b>969</b>	<b>26.0</b>	<b>3,730</b>	<b>456,104</b>	<b>66.5</b>	<b>229,371</b>	<b>33.5</b>	<b>685,475</b>

*Source: Home mortgage loan sample includes all HMDA reportable loan originations or purchases between 1/1/2018 and 12/31/2020, as reported by the bank annually to the CFPB; Small Business and Small Farm loan samples randomly selected from loan originations or purchases between 1/1/2018 and 12/31/2020; Due to rounding, totals may not equal 100.0%*

## Description of Institution

PNB is an interstate federally chartered national association headquartered in Mount Vernon, Illinois. The bank is a wholly owned subsidiary of Market Street Bancshares, Inc. (MSB), a one-bank holding company also located in Mount Vernon. As of December 31, 2020, MSB had total assets of approximately \$130 million. There were no affiliate or subsidiary activities considered in this evaluation.

PNB had total assets of \$1.5 billion as of December 31, 2020. This included total loans and leases of \$1.2 billion that were comprised of \$769.5 million (63.7 percent of loans and leases) in real-estate related loans, \$298.7 million in commercial loans (24.7 percent), \$91.7 million (7.6 percent) in agricultural loans, \$43.9 million (3.6 percent) in other loans and leases, and \$4.7 million (0.4 percent) in individual loans. Total tier 1 capital as of December 31, 2020 was \$120.7 million.

As of December 31, 2020, PNB had 21 branch offices in Illinois and two branch offices in Missouri. In addition, PNB operated 28 automated teller machines (ATMs), 21 deposit-taking and five cash-dispensing in Illinois and two deposit-taking in Missouri. PNB customers also have access to the MoneyPass<sup>®</sup> ATM network with convenient access to over 33,000 surcharge-free ATMs nationwide. In November 2018, PNB closed its branch office and accompanying ATM located in Equality, Illinois. The bank did not open any new branches or engage in any acquisition or merger activities during the evaluation period.

PNB provides a broad range of real estate, commercial, and consumer credit products, deposit products, and services to personal, business, corporate, and institutional clients. The bank's personal banking products and services include checking accounts, statement savings accounts, money market accounts, health savings accounts, and certificates of deposit, fixed and adjustable rate mortgages, retirement accounts, home equity loans, personal loans, lines of credit, and auto loans. The bank's business banking products and services include business checking, savings accounts, and certificates of deposit, commercial loans, commercial real estate loans, agricultural loans, and government loan programs, and receivables management, payables management, payroll processing, and merchant services.

PNB also makes use of flexible lending programs to serve AA credit needs. PNB offers a First-Time Home Buyer program and participates in various programs offered by affordable housing agencies, government-sponsored enterprises, and federal government agencies throughout its AAs. Examples include: down payment assistance options through the Illinois Housing Development Agency (IHDA), Fannie Mae's HomeReady and Freddie Mac's Home Possible Program loans, Federal Housing Administration (FHA) loans, U.S. Department of Agriculture (USDA) Rural Development and Farm Service Agency (FSA) loans, U.S. Department of Veterans Affairs (VA) loans, and U.S. Small Business Administration (SBA) loans.

For CRA purposes, PNB has identified three AAs: a portion of the St. Louis MMSA and two AAs in the state of Illinois, the Carbondale-Marion, IL MSA (Carbondale MSA) and Illinois Non-MSA (IL Non-MSA).

PNB received a "Satisfactory" rating at their last CRA evaluation dated January 29, 2018. There are no financial, legal, or other factors impeding the bank's ability to help meet the credit needs in its AAs.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the lending test is January 1, 2018 through December 31, 2020. Examiners determined PNB's primary loan products for each AA by reviewing the number and dollar volume of loan originations and purchases during the evaluation period. The number and type of primary products varied by AA. Home mortgage loans were a primary product in all three AAs. Business loans were a primary product in two AAs, and farm loans were a primary product in one AA. Please refer to the applicable Lending Test narratives under each rating area section for details on loan products analyzed.

Examiners selected initial samples of 20 loans for business and farm loans for each AA in which it was a primary product. Additional loans were selected as needed to have sufficient information to analyze borrower and geographic distributions within each AA. Examiners relied on Home Mortgage Disclosure Act (HMDA) data to complete the analysis of home mortgage loans. Home mortgage loans originated or purchased during the evaluation period were compared to 2015 American Community Survey (ACS) and 2019 peer mortgage data. Business and farm loans originated or purchased during the evaluation period were compared to 2015 ACS, 2019 peer small business data, and June 2020 data provided by Dun & Bradstreet (D&B).

MSA boundary changes introduced in 2018, effective January 1, 2019, by the Office of Management and Budget (OMB) resulted in no additional analysis under the Lending Test for any of the bank's AAs. The Carbondale MSA underwent a delineation change as part of the January 1, 2019 OMB changes with the addition of Johnson County. This change did not affect PNB's Carbondale MSA AA delineation as the bank only includes Williamson County as part of this AA. There were no OMB changes for the St. Louis MMSA.

For lending performance, examiners placed more emphasis on borrower and geographic distributions than on aggregate performance. Borrower and geographic comparators cover all three years of the evaluation period where aggregate comparators included only data from 2019 which was the most recent information available at the time of the evaluation.

When there were differences in performance between loan products in a specific AA, examiners determined the overall conclusion by weighting the products based on the loan mix by number of loans over the evaluation period. Weighting by number of loans gives consideration for each lending decision regardless of the loan's dollar amount. When there were performance differences between low- and moderate-income geographies, examiners placed more emphasis on the geographic category with more lending opportunities (e.g., higher percentage of businesses or owner-occupied housing units). These weightings are described within the narrative comments of each rating area.

The evaluation period for the CD test is January 30, 2018 through December 31, 2020. CD loans, qualified investments, and CD services were evaluated in each of the bank's three AAs. Qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States were considered from January 1, 2020 through December 31, 2020. Activities occurring on or after January 1, 2021 will be considered in the subsequent evaluation.

The OCC's analysis of qualified investments included the investment portfolio as well as donations and grants made during the evaluation period that had CD as its primary purpose. Qualified investments included investments that met the definition of CD and were made prior to and remained outstanding

through the end of the current evaluation period or were made during the current evaluation period. Examiners considered prior-period investments at the book value of the investment at the end of the current evaluation period and current-period investments at their original investment amount.

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

In each state where the bank had a branch office, one or more AAs within that state were selected for a full-scope review. For purposes of this evaluation, bank-delineated AAs located within the same MSA or MMSA 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.

When determining areas for full-scope reviews, examiners considered factors such as PNB's percentage of deposits within the rating area, business strategy within a particular MMSA or state, the number of branch offices, the volume of reportable loans originated and purchased in each state and/or MMSA, the significance of the bank to the AA based on its deposit market share and rank, comments received from the public, and, conclusions from prior CRA evaluations. Where necessary, examiners selected multiple AAs to complete sufficient full-scope analyses to support the conclusions and ratings.

Refer to the Scope section under each MMSA or 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 St. Louis MMSA and state of Illinois ratings. Examiners placed the most weight on the bank's performance in the State of Illinois as it represents the largest portion of the bank's deposits, loan originations and purchases, and branch offices during the evaluation period. Illinois represented 89.3 percent of the bank's total deposits, 91.3 percent of branch offices, and 77.3 percent of loan originations by number (54.9 percent by dollar).

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the Scope section under each MMSA and State 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 25.17, 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 Consumer Financial Protection Bureau, 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.

## Multistate Metropolitan Statistical Area Rating

### St. Louis MMSA

**CRA rating for the St. Louis MMSA<sup>1</sup>:** Satisfactory.

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

**The Community Development Test is rated:** Outstanding.

The major factors that support this rating include:

- The distribution of loans throughout geographies of different income levels in the St. Louis MMSA is reasonable.
- The distribution of loans to borrowers of different income levels and businesses of different sizes in the St. Louis MMSA is reasonable.
- PNB's CD performance demonstrates excellent responsiveness to the CD needs of the St. Louis MMSA through CD loans, qualified investments, and CD services.
- The bank received no complaints regarding its CRA performance in the St. Louis MMSA.

### Description of Institution's Operations in the St. Louis MMSA

PNB's St. Louis MMSA AA consists of Clinton County in Illinois and St. Louis City and St. Louis County in Missouri. The AA included 56 low-income, 71 moderate-income, 84 middle-income, 99 upper-income census tracts (CTs), and three CTs not assigned an income designation. PNB had three branch offices located within the AA: two in middle-income CTs and one in an upper-income CT.

#### Competition

Competition for deposits in the AA is strong. According to the June 30, 2020 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, PNB's deposits in the AA totaled \$123 million, representing 10.7 percent of the bank's total deposits. PNB ranked 39<sup>th</sup> out of 63 reporting institutions in the AA with a market share of only 0.15 percent. The top five competitors included Bank of America, N.A. with 30 branch offices and 20.6 percent market share, U.S. Bank, N.A. with 66 branch offices and 16 percent market share, Stifel Bank and Trust with two branch offices and 16 percent market share, Commerce Bank with 31 branch offices and 7.8 percent market share, and Enterprise Bank & Trust with 11 branch offices and four percent market share. There were 57 additional FDIC-insured depository institutions with 276 branch offices within the bank's AA.

Market competition for home mortgage loans is significant within the AA. According to the 2019 Peer Mortgage Market Share Data, lending within the AA is largely dominated by megabanks and mortgage lending companies. PNB competed with 492 lenders within the AA and the top 10 institutions originated or purchased approximately 21,000 home mortgage loans. PNB originated 223 home mortgage loans in 2019 with market share of 0.41 percent.

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<sup>1</sup> This rating reflects performance within the MMSA. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

## Demographics

The following table provides a summary of the demographics, including housing and business information for the St. Louis MMSA.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: St Louis MMSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	313	17.9	22.7	26.8	31.6	1.0
Population by Geography	1,357,106	12.5	21.7	29.6	35.7	0.5
Housing Units by Geography	629,171	14.2	22.4	30.0	32.9	0.5
Owner-Occupied Units by Geography	354,882	7.0	19.1	31.8	42.0	0.2
Occupied Rental Units by Geography	200,378	20.5	26.8	29.8	22.0	1.0
Vacant Units by Geography	73,911	32.0	26.3	22.0	19.2	0.5
Businesses by Geography	112,093	7.7	18.0	26.1	46.6	1.6
Farms by Geography	2,194	4.1	16.1	33.6	45.4	0.9
Family Distribution by Income Level	336,007	23.3	16.5	18.3	41.9	0.0
Household Distribution by Income Level	555,260	26.2	16.2	16.6	41.0	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$177,756
			Median Gross Rent			\$842
			Families Below Poverty Level			10.6%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

## Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 1.36 million with 170,029 (12.5 percent) residing in low-income CTs in the AA, 293,846 (21.7 percent) residing in moderate-income CTs, 401,077 (29.6 percent) residing in middle-income CTs, 484,793 (35.7 percent) residing in upper-income CTs, and (0.5 percent) 7,361 residing in CTs where income information is not available.

## Family Distribution by Income Level

According to the 2015 ACS Census data, there were 336,007 families in the AA. The distribution of families by income level was 78,150 (23.3 percent) low income, 55,547 (16.5 percent) moderate income, 61,578 (18.3 percent) middle income, and 140,732 (41.9 percent) upper income.

### Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), the unemployment rate for the St. Louis MMSA prior to the 2020 coronavirus pandemic was showing a slight improvement year-over-year, while also trending below the national unemployment rate.

Annual Unemployment Rates			
Area	2018	2019	2020
Clinton County	3.5%	3.0%	5.8%
St. Louis City	3.9%	3.9%	8.5%
St. Louis County	3.0%	3.0%	6.3%
St. Louis, MO-IL MSA	3.4%	3.2%	6.7%
National	3.9%	3.7%	8.1%

*Source: U.S. Department of Labor; Bureau of Labor Statistics. Rates are not seasonally adjusted.*

The percentage of families in the AA living below the poverty level was 10.6 percent. There were 36,237 families residing in low-income CTs, 12,637 (34.9 percent) of which lived below the poverty level. There were 70,158 families residing in moderate-income CTs, 11,118 (15.9 percent) of which lived below the poverty level.

According to Moody's Analytics, *St. Louis will advance, but its recovery will lag that of Missouri and the nation. Construction and business/professional services will add jobs at a reasonable pace, but neither industry will provide high-quality positions to make the metro area a top performer. Longer term, lackluster demographics will limit growth in employment and income.*

The top employment sectors in the AA are education and health services (18.6 percent), professional and business services (15.2 percent), government (11 percent), leisure and hospitality services (10.9 percent), and retail trade. The top five employers in the AA include BJC Healthcare (28,516 employees), Mercy Health Care (23,011 employees), Walmart Inc. (22,290), Washington University in St. Louis (17,442 employees), and Boeing Defense, Space & Security (14,566 employees).

Based on the 2015 ACS Census data and June 2020 Dun & Bradstreet data, there were 112,093 businesses located in the AA. Of these businesses, 8,651 (7.7 percent) are in low-income CTs and 20,227 (18 percent) are in moderate-income CTs. Small businesses with gross annual revenues of one million dollars or less make up 82.8 percent (92,851) of businesses in the AA.

### Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 629,171 in the AA. Of the total number of housing units, 354,882 (56.4 percent) were owner occupied, 200,378 (31.9 percent) were renter occupied, and 73,911 (11.8 percent) were vacant. Seven percent (24,842) of owner-occupied housing units were in low-income CTs in the AA and 19.1 percent (67,782) of owner-occupied units were in moderate-income CTs. The median age of housing stock in low-income CTs was 71 years and in moderate-income CTs was 66 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for low- and moderate-income (LMI) individuals.

Based on information in the table below, low-income families earned as much as \$38,299 (in 2018) up to a maximum of \$41,299 (in 2020), and moderate-income families earned as much as \$61,279 (in 2018) up to a maximum of \$66,079 (in 2020).

<b>Median Family Income Ranges</b>				
<b>St. Louis, MO-IL MSA Median Family Income (41180)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$76,600)	<\$38,300	\$38,300 to <\$61,280	\$61,280 to <\$91,920	≥\$91,920
2019 (\$81,200)	<\$40,600	\$40,600 to <\$64,960	\$64,960 to <\$97,440	≥\$97,440
2020 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120
<i>Source: FFIEC</i>				

According to Realtor.com data, the median housing value in the AA ranged from \$189,900 in 2018 to \$231,450 in 2020, an increase of \$41,550 (21.9 percent). This is far greater than the \$6,000 (7.8 percent) increase in the Federal Financial Institution's Examination Council (FFIEC) median-family income over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated a maximum monthly mortgage payment of \$1,033 for low-income borrowers and \$1,652 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment based on the Realtor.com median-listing price would be \$1,242. Low-income borrowers would be challenged to afford a mortgage loan in this AA. Moderate-income borrowers would likely be challenged when accounting for the additional expenses mentioned above.

### Community Contacts

Information from three community contact interviews; an economic development entity, an affordable housing/economic development entity, and a local government agency; identified the following needs within the St. Louis MMSA:

- Financing for one-to-four family home purchases and rehabilitation, multifamily buildings with tenants using Section 8 housing vouchers, and small businesses.
- Investments in Community Development Financial Institutions (CDFI) loan pools that are used to originate loans for affordable housing or micro loans (under \$5,000) to small businesses.
- Down payment and closing cost assistance programs for low- and moderate-income borrowers.
- Financial counseling and education programs, including first-time homebuyer's programs.

## **Scope of Evaluation in the St. Louis MMSA**

Examiners completed a full-scope review of the St. Louis MMSA. Home mortgage loans and business loans were the primary products in the St. Louis MMSA. Home mortgage loans accounted for 51 percent of originations by number and 32 percent by dollar volume. Business loans accounted for 43 percent of originations by number and 63 percent by dollar volume.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ST. LOUIS MMSA**

### **LENDING TEST**

The bank's performance under the Lending Test in the St. Louis MMSA AA is rated Satisfactory.

Based on a full-scope review, the bank's performance in the St. Louis MMSA AA is reasonable.

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

The bank exhibits a reasonable geographic distribution of loans in the MMSA. Examiners generally placed more emphasis on the bank's performance in moderate-income geographies as these areas had a higher percentage of owner-occupied housing units and small businesses. More weight was placed on the bank's performance in small business lending, given the bank's history as a commercial lender in the MMSA. Examiners also took into consideration that the bank opened a loan production office (LPO) in the MMSA in late 2017 and has spent much of the evaluation period establishing a larger footprint into the St. Louis County and St. Louis City areas, including year over year incremental improvement of lending in LMI CTs.

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

Refer to Table O in the St. Louis MMSA section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans was poor. The percentage of home mortgage loans originated or purchased in both low- and moderate-income geographies was significantly below the percentage of owner-occupied housing units located in those geographies. The percentage of home mortgage loans originated or purchased in low-income geographies was below, and in moderate-income geographies was well below, the aggregate percentage of all reporting lenders.

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

Refer to Table Q in the St. Louis MMSA 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 businesses.

The geographic distribution of small loans to businesses was excellent. The percentage of small loans originated or purchased to businesses in low-income geographies approximated, and in moderate-income geographies exceeded, the percentage of businesses in those geographies. The percentage of small loans to businesses originated or purchased in both low- and moderate-income geographies exceeded the aggregate percentage of all reporting lenders.

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

The OCC analyzed PNB's geographic lending patterns of home mortgage loans and small loans to businesses by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

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

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank. More weight was placed on the bank's performance in small business lending, given the bank's history as a commercial lender in the MMSA. Examiners also took into consideration that the bank opened a loan production LPO in the MMSA in late 2017 and has spent much of the evaluation period expanding home mortgage lending operations, including year over year incremental improvement of lending to LMI borrowers.

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

Refer to Table P in the St. Louis MMSA section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of home mortgage loans among individuals of different income levels was adequate. Examiners considered housing costs in relation to the median-family incomes in the AA, which limited the affordability for low- and moderate-income families. The percentage of home mortgage loans originated or purchased to low-income borrowers was significantly below, and to moderate-income borrowers was somewhat near to, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to low-income borrowers was below, and to moderate-income borrowers was somewhat near to, the aggregate percentage of all reporting lenders.

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

Refer to Table R in the St. Louis MMSA 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 businesses.

The distribution of small loans to businesses of different sizes was excellent. The percentage of small loans originated or purchased to small businesses approximated the percentage of small businesses in the AA and exceeded the aggregate percentage of all reporting lenders.

### **Responses to Complaints**

PNB did not receive any CRA-related complaints during the evaluation period.

### **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in the St. Louis MMSA AA is rated Outstanding.

Based on a full-scope review, the bank exhibits excellent responsiveness to CD needs in the St. Louis MMSA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

## Number and Amount of Community Development Loans

Refer to the CD Loans table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<b>Community Development Loans</b>				
<b>Assessment Area</b>	<b>Total</b>			
	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>
<b>Full Scope:</b>				
St. Louis MMSA	70	78.7	64,575	98.1
<b>Statewide/Regional</b>				
Broader St. Louis MMSA	19	21.3	1,245	1.9
<b>Total</b>	<b>89</b>	<b>100.0</b>	<b>65,820</b>	<b>100.0</b>
<i>Source: Bank Data; 1/30/18 – 12/31/20.</i>				

PNB's level of CD lending provided excellent responsiveness to community credit needs in the St. Louis MMSA. During the evaluation period, PNB originated 70 CD loans totaling \$64.6 million within the AA. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 56.6 percent of these loans funded revitalization and stabilization efforts, 22.5 percent funded community services, 16.2 percent funded economic development activities, and 4.7 percent funded affordable housing activities.

Examples of CD loans in the AA include:

- 39 loans totaling \$12.2 million extended under the SBA's Paycheck Protection Program (PPP) to help stabilize businesses located in LMI geographies throughout the AA.
- A \$14.1 million loan to fund the purchase of a new building for a non-profit public charter school that focuses on education within LMI areas of the AA.
- Six loans totaling \$2.5 million to a non-profit organization specializing in affordable housing.

### Broader Statewide or Regional Areas

PNB made 17 PPP loans totaling \$1.2 million to stabilize businesses located in LMI geographies throughout other portions of the St. Louis MMSA, not included in the bank's AA.

## Number and Amount of Qualified Investments

The Qualified Investments Table shown below sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investment, including prior period investments that remain outstanding as of the examination date.

Qualified Investments										
Assessment Area	Prior Period <sup>2</sup>		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's) <sup>3</sup>
St. Louis MMSA	1	48	6	375	7	100.0	423	100.0	-	-

*Source: Bank Data; 1/30/18 – 12/31/20.*

PNB's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, PNB had a combination of donations and investments totaling \$375,000 and retained one prior-period investment with a book value of \$48,000, for an overall total of \$423,000.

Qualified investments included:

- Four investments totaling \$375,000 in the St. Louis Regional Chamber's Spirit of St. Louis Fund I; a \$5 million fund that provides gap financing for startup businesses.
- One prior period investment of \$48,000 in the St. Louis Equity Fund which promotes economic development throughout the AA.

## Extent to Which the Bank Provides Community Development Services

The CD Services Table shown below sets forth the information and data used to evaluate the bank's level of qualified CD service activities during the evaluation period.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	# of Hours	# of Hours	# of Hours	# of Hours	# of Hours
St. Louis MMSA	192	620	48	180	<b>1,040</b>

*Source: Bank Data; 1/30/18 – 12/31/20.*

PNB provided an excellent level of CD services in the AA. During the evaluation period, eight employees performed 1,040 hours of CD services, supporting 10 organizations. Employees served in a variety of roles providing financial/technical expertise. Four employees served in leadership roles,

<sup>2</sup> *Prior Period Investments' means investments made in a previous evaluation period that are outstanding at the end of the current evaluation period.*

<sup>3</sup> *Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.*

primarily as board members of non-profit organizations that focus on services for LMI individuals and/or economic development across the AA.

## State Rating

### State of Illinois

**CRA rating for the State of Illinois<sup>4</sup>:** Outstanding.

**The Lending Test is rated:** Outstanding.

**The Community Development Test is rated:** Outstanding.

The major factors that support this rating include:

- The distribution of loans to borrowers of different income levels and businesses of different sizes in Illinois is excellent.
- The distribution of loans throughout geographies of different income levels in Illinois is reasonable.
- PNB's CD performance demonstrates excellent responsiveness to the CD needs of its AAs in Illinois through CD loans, qualified investments, and CD services.
- The bank received no complaints regarding its CRA performance in Illinois.

### Description of Institution's Operations in Illinois

PNB has two AAs located in Illinois: the IL Non-MSA AA and a portion of the Carbondale MSA.

#### IL Non-MSA AA

The IL Non-MSA AA consists of Franklin, Hamilton, Jefferson, Marion, Saline, Wayne, and White counties. The AA includes one low-income, 14 moderate-income, 40 middle-income, and two upper-income CTs. PNB had 16 branches located within the AA: one in a low-income CT, five in moderate-income CTs, eight in middle-income CTs, and two in an upper-income CTs.

#### Competition

Competition for deposits in the AA is moderate. According to the June 30, 2020 FDIC Deposit Market Share Report, PNB's deposits in the AA totaled \$949 million, representing 82.7 percent of the bank's total deposits. PNB ranked 1<sup>st</sup> out of 29 reporting institutions in the AA with a market share of 22.3 percent. The next four competitors included Banterra Bank with nine branch offices and 12.9 percent market share, The Fairfield National Bank with three branch offices and eight percent market share, Legence Bank with five branch offices and 6.9 percent market share, and Community First Bank of the Heartland with four branch offices and 5.1 percent market share. There were 24 additional FDIC-insured depository institutions with 52 branch offices within the bank's AA.

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<sup>4</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

Market competition for home mortgage loans is strong within the AA. According to the 2019 Peer Mortgage Market Share Data, there were 155 lenders with an overall total of 1,572 loans originated. U.S. Bank, N.A. ranked 1<sup>st</sup> with 187 originations and a 11.9 percent market share, followed by PNB with 116 originations and a 7.4 percent market share and First Southern Bank with 105 originations and a 6.9 percent market share.

### Demographics

The following table provides a summary of the demographics, including housing and business information for the IL Non-MSA AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: IL Non-MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	57	1.8	24.6	70.2	3.5	0.0
Population by Geography	181,061	0.9	21.1	74.2	3.8	0.0
Housing Units by Geography	84,400	0.9	22.2	72.8	4.1	0.0
Owner-Occupied Units by Geography	55,019	0.4	18.1	77.9	3.6	0.0
Occupied Rental Units by Geography	18,940	2.1	31.0	60.3	6.7	0.0
Vacant Units by Geography	10,441	1.9	27.5	68.6	2.1	0.0
Businesses by Geography	9,737	3.5	26.5	61.9	8.1	0.0
Farms by Geography	765	0.3	8.8	87.8	3.1	0.0
Family Distribution by Income Level	48,217	24.5	18.3	21.8	35.4	0.0
Household Distribution by Income Level	73,959	28.2	16.5	17.3	38.0	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$74,639
			Median Gross Rent			\$578
			Families Below Poverty Level			13.5%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 181,061 with 1,662 (0.9 percent) residing in low-income CTs in the AA, 38,151 (21.1 percent) residing in moderate-income CTs, 134,337 (74.2 percent) residing in middle-income CTs, and 6,911 (3.8 percent) residing in upper-income CTs.

### Family Distribution by Income Level

According to the 2015 ACS Census data, there were 48,217 families in the AA. The distribution of families by income level was 11,804 (24.5 percent) low income, 8,841 (18.3 percent) moderate income, 10,524 (21.8 percent) middle income, and 17,048 (35.4 percent) upper income.

### Employment and Economic Factors

According to the BLS, the unemployment rate for the IL Non-MSA AA prior to the 2020 coronavirus pandemic was showing slight improvement year-over-year, while trending slightly higher than the national unemployment rate.

Annual Unemployment Rates			
Area	2018	2019	2020
Franklin County	6.1%	5.2%	10.5%
Hamilton County	4.3%	3.7%	6.7%
Jefferson County	5.2%	4.4%	10.1%
Marion County	4.9%	4.2%	9.3%
Saline County	6.4%	5.1%	9.7%
Wayne County	5.5%	4.6%	8.3%
White County	4.2%	3.7%	7.6%
Illinois	4.4%	4.0%	9.5%
National	3.9%	3.7%	8.1%

*Source: U.S. Department of Labor; Bureau of Labor Statistics. Rates are not seasonally adjusted.*

The percentage of families in the AA living below the poverty level was 13.5 percent. There were 317 families residing in low-income CTs, 179 (56.5 percent) of which lived below the poverty level. There were 9,561 families residing in moderate-income CTs, 2,223 (23.3 percent) of which lived below the poverty level.

*According to Moody's Analytics, Illinois' economic recovery will gain momentum through 2021 at a slower clip than the U.S. Elevated reliance on office-using industries confers a modest advantage, and housing is poised for an upturn, but population-dependent industries will generally lag their counterparts in the rest of the country. Longer term, IL will underperform because of poor population trends and state and local fiscal pressures.*

The top employment sectors in the AA are professional and business services (15.5 percent), education and health services (15.3 percent), government (13.5 percent), leisure and hospitality (10.2 percent), and manufacturing and retail trade (9.6 percent). The largest employers in the AA by county include Franklin County Schools (600 employees), Hamilton County Coal, LLC (310 employees), Continental Tire The Americas, LLC (3,400 employees in Jefferson County), Heartland Regional Medical Center (300 employees in Marion County), Harrisburg Medical Center (600 employees in Saline County), Airtex Products LP (330 employees in Wayne County), and White County Coal LLC (230 employees).

Based on the 2015 ACS Census data and June 2020 Dun & Bradstreet data, there were 9,737 businesses located in the AA. Of these businesses, 342 (3.5 percent) were in the one low-income CT, and 2,581 (26.5 percent) were in moderate-income CTs of the AA. Small businesses with gross annual revenues of one million dollars or less make up 76.5 percent (7,446) of businesses in the AA. There were also 765 farms located in the AA. Of these farms, only two (0.3 percent) were in the one low-income CT, and 67 (8.8 percent) were in moderate-income CTs of the AA.

### Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 84,400 in the AA. Of the total number of housing units, 55,019 (65.2 percent) were owner occupied, 18,940 (22.4 percent) were renter occupied, and 10,441 (12.4 percent) were vacant. There are less than 250 owner-occupied housing units located in the only low-income CT in the AA and just under 10,000 (18.1 percent) owner-occupied units were in moderate-income CTs. The median age of housing stock in the only low-income CT was 71 years and in the moderate-income CTs was 61 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Based on information in the table below, low-income families earned as much as \$31,949 (in 2018) up to a maximum of \$32,899 (in 2020), and moderate-income families earned as much as \$51,119 (in 2018) up to a maximum of \$52,639 (in 2020).

<b>Median Family Income Ranges IL NA Median Family Income (99999)</b>				
<b>Median Family Incomes</b>	<b>Low &lt;50%</b>	<b>Moderate 50% to &lt;80%</b>	<b>Middle 80% to &lt;120%</b>	<b>Upper ≥120%</b>
2018 (\$63,900)	<\$31,950	\$31,950 to <\$51,120	\$51,120 to <\$76,680	≥\$76,680
2019 (\$64,200)	<\$32,100	\$32,100 to <\$51,360	\$51,360 to <\$77,040	≥\$77,040
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥\$78,960

*Source: FFIEC*

According to Realtor.com data, the median housing value in the AA ranged from \$101,250 in 2018 to \$133,000 in 2020, an increase of \$31,750 (31.4 percent). This is far greater than the \$1,900 (2.9 percent) increase in the FFIEC median-family income over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated a maximum monthly mortgage payment of \$823 for low-income borrowers and \$1,316 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowners' insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment based on the Realtor.com median listing price would be \$714. Low-income borrowers would likely be challenged when accounting for the additional expenses mentioned above.

Community Contacts

Information from a recent community contact interview with a certified CDFI identified the following needs within the IL Non-MSA AA:

- Down payment and closing cost assistance programs for first-time homebuyers.
- Micro loans (under \$5,000) for home improvements/renovations in older homes.
- Assistance in the planning and execution of infrastructure projects and supporting workforce development programs/institutions, particularly in historically distressed communities.
- Educational programming in low-income areas for small business entrepreneurship, homeownership, or personal finance classes.

Carbondale MSA

The Carbondale MSA AA includes Williamson county only. The AA includes no low-income, three moderate-income, eight middle-income, and four upper-income CTs. PNB had four branches located within the AA: one located in a moderate-income CT and three located in middle-income CTs.

Competition

Competition for deposits in the AA is moderate. According to the June 30, 2020 FDIC Deposit Market Share Report, PNB's deposits in the AA totaled \$75.3 million, representing 6.6 percent of the bank's total deposits. PNB ranked 7<sup>th</sup> out of 15 reporting institutions in the AA with a market share of 5.2 percent. While there are far fewer competitors in this AA compared to PNB's other two AAs, nearly 60 percent of the deposit market share is shared between three banks out of the 15 in the market. Banterra Bank had nine branch offices and 22.2 percent market share, First Southern Bank had nine branch offices and 20.2 percent market share, and the Bank of Herrin had five branch offices and 17 percent market share. There were 11 additional FDIC-insured depository institutions with 16 branch offices within the AA.

Market competition for home mortgage loans is considerable within the AA. According to the 2019 Peer Mortgage Market Share Data, there were 196 lenders with an overall total of 2,676 loans originated. PNB ranked first with 403 originations and a 15.1 percent market share, followed by U.S. Bank, N.A. with 400 originations and a 14.9 percent market share, and New American Funding with 132 originations and a 4.9 percent market share.

Demographics

The following table provides a summary of the demographics, including housing and business information for the Carbondale MSA AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Carbondale MSA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	15	0.0	20.0	53.3	26.7	0.0
Population by Geography	67,121	0.0	17.5	53.8	28.7	0.0
Housing Units by Geography	30,688	0.0	19.0	54.3	26.7	0.0
Owner-Occupied Units by Geography	19,430	0.0	15.4	53.8	30.8	0.0
Occupied Rental Units by Geography	7,366	0.0	26.2	55.4	18.4	0.0
Vacant Units by Geography	3,892	0.0	23.4	54.9	21.7	0.0
Businesses by Geography	4,044	0.0	16	59.7	24.3	0.0
Farms by Geography	146	0.0	8.2	47.9	43.8	0.0
Family Distribution by Income Level	18,143	18.9	20.1	19.0	42.1	0.0
Household Distribution by Income Level	26,796	20.9	14.4	18.0	46.8	0.0
Median Family Income MSA - 16060 Carbondale-Marion, IL MSA		\$55,883	Median Housing Value			\$105,786
			Median Gross Rent			\$662
			Families Below Poverty Level			11.1%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 67,121 with 11,750 (17.5 percent) residing in moderate-income CTs in the AA, 36,136 (53.8 percent) residing in middle-income CTs, and 19,235 (28.7 percent) residing in upper-income CTs.

### Family Distribution by Income Level

According to the 2015 ACS Census data, there were 18,143 families in the AA. The distribution of families by income level was 3,423 (18.9 percent) low income, 3,645 (20.1 percent) moderate income, 3,444 (19 percent) middle income, and 7,631 (42.1 percent) upper income.

### Employment and Economic Factors

According to the BLS, the unemployment rate for the Carbondale-Marion MSA prior to the 2020 coronavirus pandemic was showing slight improvement year-over-year, and relatively in line with the state and national unemployment rates.

Annual Unemployment Rates			
Area	2018	2019	2020
Williamson County	5.0%	4.1%	8.7%
Carbondale-Marion MSA	4.8%	3.9%	8.2%
Illinois	4.4%	4.0%	9.5%
National	3.9%	3.7%	8.1%

Source: U.S. Department of Labor; Bureau of Labor Statistics. Rates are not seasonally adjusted.

The percentage of families in the AA living below the poverty level was 11.1 percent. There were 2,947 families residing in moderate-income CTs, 638 (21.7 percent) of which lived below the poverty level.

According to Moody's Analytics, *Carbondale-Marion's near-term outlook is predicated on the fate of Southern Illinois University and the damage from the second wave of Covid-19 infections. Job cuts at SIU will sap demand for already-struggling consumer industries and housing. State and local fiscal problems will lead to budget cuts. Longer term, CRB's demographic woes will cement it as a perennial underperformer.*

The top five employment sectors in the AA are government, educational and health services, retail trade, leisure and hospitality services, and manufacturing. The top five employers in the AA are Southern Illinois University (7,100 employees), Community Health Systems Inc. (2,652 employees), UnitedHealth Group (2,052 employees), Nissan North America (1,700 employees), and Optum, Inc. (1,600 employees.)

### Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 30,688 in the AA. Of the total number of housing units, 19,430 (63.3 percent) were owner occupied, 7,366 (24 percent) were renter occupied, and 3,892 (12.7 percent) were vacant. Just under 3,000 (15.4 percent) owner-occupied units were in moderate-income CTs. The median age of housing stock in the moderate-income CTs was 66 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Based on information in the table below, low-income families earned as much as \$30,799 (in 2018) up to a maximum of \$32,199 (in 2020), and moderate-income families earned as much as \$49,279 (in 2018) up to a maximum of \$51,519 (in 2020).

Median Family Income Ranges Carbondale-Marion, IL MSA Median Family Income (16060)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2018 (\$61,600)	<\$30,800	\$30,800 to <\$49,280	\$49,280 to <\$73,920	≥\$73,920
2019 (\$61,700)	<\$30,850	\$30,850 to <\$49,360	\$49,360 to <\$74,040	≥\$74,040
2020 (\$64,400)	<\$32,200	\$32,200 to <\$51,520	\$51,520 to <\$77,280	≥\$77,280

Source: FFIEC

According to Realtor.com data, the median housing value in the AA ranged from \$127,900 in 2018 to \$144,900 in 2020, an increase of \$17,000 (13.3 percent). This is far greater than the \$2,800 (4.5 percent) increase in the FFIEC median-family income over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated a maximum monthly mortgage payment of \$805 for low-income borrowers and \$1,288 for moderate-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not considering any down payment, homeowners' insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment based on the Realtor.com median listing price would be \$778. Low-income borrowers would likely be challenged when accounting for the additional expenses mentioned above.

### Community Contacts

One community contact with an economic development agency was reviewed in the AA. The contact identified the following needs for the AA:

- Small business start-up loans.
- Affordable housing loans.
- Financial literacy programs

### **Scope of Evaluation in Illinois**

The IL Non-MSA AA continues to hold the largest share of the bank's deposits and largest volume of lending, so examiners performed a full-scope review in this AA. Examiners conducted a limited-scope review of the Carbondale MSA during the last CRA evaluation, so a full-scope review will occur as part of this evaluation.

Home mortgage loans, businesses loans, and farm loans were the primary products in the IL Non-MSA. Home mortgage loans accounted for 34 percent of originations by number and 25 percent by dollar volume. Business loans accounted for 32 percent of originations by number and 40 percent by dollar volume. Farm loans accounted for 18 percent of originations by number and 34 percent by dollar volume. Home mortgage loans were the only primary product in the Carbondale MSA, at 60 percent by number and 43 percent by dollar volume.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ILLINOIS**

### **LENDING TEST**

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

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

Based on a full-scope review, the bank's lending performance was excellent in both the IL Non-MSA and the Carbondale MSA AAs.

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

The bank exhibits an excellent geographic distribution of loans in the state. Examiners placed all weight on the bank's performance in moderate-income geographies as there is only one low-income geography in the IL Non-MSA and there are no low-income geographies in the Carbondale MSA. Furthermore, opportunities for lending in the one low-income geography in the IL Non-MSA are limited as less than one percent of the population, owner-occupied housing, and farms, and less than four percent of businesses are located within this geography.

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

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

#### IL Non-MSA

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans originated or purchased in moderate-income geographies was well below the percentage of owner-occupied housing units and below the aggregate percentage of all reporting lenders.

#### Carbondale MSA

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans originated or purchased in moderate-income geographies was below the percentage of owner-occupied housing units but exceeded the aggregate percentage of all reporting lenders.

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

Refer to Table Q 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 businesses.

#### IL Non-MSA

The geographic distribution of small loans to businesses was excellent. The bank's percentage of small loans to businesses originated or purchased in moderate-income geographies exceeded both the percentage of businesses located in those geographies and the aggregate percentage of all reporting lenders.

### ***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.

#### IL Non-MSA

The geographic distribution of small loans to farms was excellent. The bank's percentage of small loans to farms originated or purchased in moderate-income geographies exceeded both the percentage of farms located in those geographies and the aggregate percentage of all reporting lenders.

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

The OCC analyzed PNB's geographic lending patterns of home mortgage loans, small loans to businesses, and small loans to farms by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

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

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

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

Refer to Table P in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

#### IL Non-MSA

The distribution of home mortgage loans among individuals of different income levels was excellent. Examiners considered housing costs in relation to median family incomes in the AA, which limited the affordability for low-income families. The bank's percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The bank's percentage of home mortgage loans originated or purchased to low-income borrowers approximated, and to moderate-income borrowers exceeded, the aggregate percentage of all reporting lenders.

#### Carbondale MSA

The distribution of home mortgage loans among individuals of different income levels was excellent. Examiners considered housing costs in relation to median family incomes in the AA, which limited the affordability for low-income families. The bank's percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers exceeded, the percentage of those families in the AA. The percentage of home mortgage loans originated or purchased to low-income borrowers approximated, and to moderate-income borrowers exceeded, the aggregate percentage of all reporting lenders.

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

Refer to Table R 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 businesses.

#### IL Non-MSA

The distribution of small loans to businesses of different sizes was excellent. The bank's percentage of small loans originated or purchased to small businesses approximated the percentage of small businesses in the AA and exceeded the aggregate percentage of all reporting lenders.

### ***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.

#### IL Non-MSA

The distribution of loans to farms of different sizes was excellent. The percentage of loans to small farms originated or purchased approximated the percentage of small farms in the AA and exceeded the aggregate percentage of all reporting lenders.

### **Responses to Complaints**

PNB did not receive any CRA-related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in the state of Illinois is rated Outstanding.

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

Based on full-scope reviews, the bank exhibited excellent responsiveness in the IL Non-MSA AA and adequate responsiveness in the Carbondale MSA AA to CD needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs.

### **Number and Amount of Community Development Loans**

The CD Loans Table shown below sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<b>Community Development Loans</b>				
<b>Assessment Area</b>	<b>Total</b>			
	<b>#</b>	<b>% of Total #</b>	<b>\$(000's)</b>	<b>% of Total \$</b>
<b>Full Scope:</b>				
IL Non-MSA	347	81.8	66,867	92.9
Carbondale MSA	14	3.3	293	0.4
<b>Statewide/Regional</b>				
Broader Illinois Area	63	14.9	4,841	6.7
<b>Total</b>	<b>424</b>	<b>100.0</b>	<b>72,001</b>	<b>100.0</b>
<i>Source: Bank Data; 1/30/18 – 12/31/20.</i>				

#### IL Non-MSA

PNB's level of CD lending provided excellent responsiveness to community credit needs in the AA. During the evaluation period, PNB originated 347 CD loans totaling \$66.9 million within the AA. CD loans were impactful as they were responsive to identified community needs. By dollar volume, 68.9

percent of these loans funded revitalization and stabilization efforts, 22.6 percent funded community services, and 8.5 percent funded economic development activities.

Examples of CD loans in the AA include:

- 322 loans totaling \$24.5 million extended under the SBA's PPP to help stabilize businesses located in LMI and distressed/underserved middle-income geographies throughout the AA.
- A \$4.9 million loan to a manufacturing plant located in a moderate-income geography to expand operations and create new jobs.
- Four loans totaling \$2.4 million that provided essential capital for operations, expanded services, and access to updated/modernized health care to the only hospital serving the respective county in which it is located. The county is made up entirely of LMI and distressed/underserved geographies.

### Carbondale MSA

PNB's level of CD lending provided adequate responsiveness to community credit needs in the AA. During the evaluation period, PNB originated 14 CD loans totaling \$293,000 within the AA.

Examples of CD loans in the AA include:

- 14 loans totaling \$293,000 extended under the SBA's PPP to help stabilize businesses located in LMI geographies throughout the AA.

### Broader Statewide or Regional Areas

PNB made 63 PPP loans totaling \$4.8 million to stabilize businesses located in LMI and distressed/underserved middle-income geographies in the broader Illinois statewide area.

## Number and Amount of Qualified Investments

The Qualified Investments Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments.

Qualified Investments										
Assessment Area	Prior Period <sup>5</sup>		Current Period		Total				Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's) <sup>6</sup>
IL Non-MSA	3	648	54	217	57	75.0	865	95.0	-	-
Carbondale MSA	-	-	19	46	19	25.0	46	5.0		
<b>Total</b>	<b>3</b>	<b>648</b>	<b>73</b>	<b>263</b>	<b>76</b>	<b>100.0</b>	<b>911</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

*Source: Bank Data; 1/30/18 – 12/31/20.*

<sup>5</sup> 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding at the end of the current evaluation period.

<sup>6</sup> 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

IL Non-MSA

PNB's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, PNB had a combination of donations and investments totaling \$217,000 and retained three prior period investments with a book value of \$648,000 for an overall total of \$865,000.

Qualified investments included:

- Donations totaling \$172,000 to various community service organizations that provide an array of services primarily for LMI individuals and families.
- Eight investments totaling \$45,000 in the Open Prairies Rural Opportunities Fund, an \$81 million private equity fund that promotes economic development in rural areas across the AA.
- One prior period investment of \$198,769 in the Illinois Equity Fund which promotes economic development throughout the AA.
- One prior period municipal bond investment of \$447,602 providing vital infrastructure and promoting revitalization/stabilization of distressed/undeserved geographies.

Carbondale MSA

PNB's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, PNB had donations totaling \$46,000 to various community service organizations that provide an array of services primarily for LMI individuals and families.

**Extent to Which the Bank Provides Community Development Services**

The CD Services Table shown below sets forth the information and data used to evaluate the bank's level of qualified CD service activities during the evaluation period.

<b>Community Development Services by Assessment Area</b>					
<b>Assessment Area</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b># of Hours</b>	<b># of Hours</b>	<b># of Hours</b>	<b># of Hours</b>	<b># of Hours</b>
IL Non-MSA	138	4,516	1,450	0	<b>6,104</b>
Carbondale MSA	0	360	24	0	<b>384</b>
<b>Total</b>	<b>138</b>	<b>4,876</b>	<b>1,474</b>	<b>0</b>	<b>6,488</b>

*Source: Bank Data; 1/30/18 – 12/31/20.*

IL Non-MSA

PNB provided an excellent level of CD services in the AA. During the evaluation period, 24 employees performed 6,104 hours of CD services supporting 34 organizations. Employees served in a variety of roles providing financial/technical expertise. Twelve employees served in leadership roles, primarily as board members of non-profit organizations that focus on services for LMI individuals and/or economic development across the AA.

Carbondale MSA

PNB provided an adequate level of CD services in the AA. During the evaluation period, three employees performed 384 hours of CD services supporting three organizations. Employees served in a variety of roles providing financial/technical expertise. Two employees served in leadership roles, primarily as board members of non-profit organizations that focus on services for LMI individuals and/or economic development across the AA.

## 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”.

<b>Time Period Reviewed:</b>	<b>Lending Test:</b> 01/01/2018 to 12/31/2020 <b>Community Development Test:</b> 01/30/2018 to 12/31/2020	
<b>Bank Products Reviewed:</b>	<b>Home Mortgage Loans:</b> St. Louis MMSA, IL Non-MSA, Carbondale MSA <b>Small Business Loans:</b> St. Louis MMSA, IL Non-MSA <b>Small Farm Loans:</b> IL Non-MSA <b>Community Development Loans, Investments, and Services:</b> St. Louis MMSA, IL Non-MSA, Carbondale MSA	
<b>Affiliate(s):</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>St. Louis MMSA:</b>		
St. Louis MMSA	Full-Scope	Illinois – Clinton County Missouri – St. Louis County, St. Louis City
<b>State of Illinois:</b>		
IL Non-MSA	Full-Scope	Franklin County, Hamilton County, Jefferson County, Marion County, Saline County, Wayne County, White County
Carbondale MSA	Full-Scope	Williamson County

## Appendix B: Summary of MMSA and State Ratings

<b>RATINGS: Peoples National Bank, N.A.</b>			
<b>Overall Bank:</b>	<b>Lending Test Rating<sup>7</sup></b>	<b>Community Development Test Rating</b>	<b>Overall Bank/State/Multistate Rating</b>
Peoples National Bank	Outstanding	Outstanding	Outstanding
<b>MMSA or State:</b>			
St. Louis MMSA	Satisfactory	Outstanding	Satisfactory
Illinois	Outstanding	Outstanding	Outstanding

<sup>7</sup> The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 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

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased 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 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table 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.

**St. Louis MMSA**

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																			<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
St Louis MMSA	779	217,243	100.0	54,452	7.0	1.5	2.6	19.1	7.2	13.7	31.8	21.1	31.2	42.0	70.0	52.2	0.2	0.3	0.2	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
St Louis MMSA	779	217,243	100.0	54,452	23.3	3.6	8.4	16.5	14.0	16.8	18.3	19.1	18.6	41.9	57.3	39.7	0.0	6.0	16.5	

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2018-20</b>	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
St Louis MMSA	40	31,369	100.0	33,967	7.7	7.5	6.5	18.0	25.0	17.3	26.1	32.5	26.3	46.6	32.5	48.3	1.6	2.5	1.6	

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2018-20</b>	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans		
St Louis MMSA	40	31,369	100.0	33,967	82.8	75.0	46.6	6.9	17.5	10.3	7.5		

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%

**State of Illinois**

<b>Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography</b>																				<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
IL Non-MSA	1,514	169,171	77.6	2,676	0.4	0.1	0.1	18.1	11.1	15.8	77.9	81.4	78.1	3.6	7.4	6.0	0.0	0.0	0.0		
Carbondale MSA	437	61,564	22.4	1,572	0.0	0.0	0.0	15.4	12.6	12.5	53.8	52.9	53.1	30.8	34.6	34.4	0.0	0.0	0.0		
<b>Total</b>	<b>1,951</b>	<b>230,735</b>	<b>100.0</b>	<b>4,248</b>	<b>0.3</b>	<b>0.1</b>	<b>0.0</b>	<b>17.4</b>	<b>11.4</b>	<b>14.6</b>	<b>71.6</b>	<b>75.0</b>	<b>68.9</b>	<b>10.7</b>	<b>13.5</b>	<b>16.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																				<b>2018-20</b>	
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
IL Non-MSA	1,514	169,171	77.6	2,676	24.5	10.4	10.8	18.3	24.7	21.7	21.8	24.2	20.6	35.4	36.4	29.5	0.0	4.3	17.3		
Carbondale MSA	437	61,564	22.4	1,572	18.9	5.7	5.8	20.1	23.1	15.4	19.0	20.1	20.9	42.1	41.4	37.0	0.0	9.6	20.9		
<b>Total</b>	<b>1,951</b>	<b>230,735</b>	<b>100.0</b>	<b>4,248</b>	<b>22.9</b>	<b>9.3</b>	<b>9.0</b>	<b>18.8</b>	<b>24.3</b>	<b>19.4</b>	<b>21.0</b>	<b>23.3</b>	<b>20.7</b>	<b>37.2</b>	<b>37.5</b>	<b>32.3</b>	<b>0.0</b>	<b>5.5</b>	<b>18.7</b>		

*Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2019 HMDA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography</b>																			<b>2018-20</b>
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
IL Non-MSA	40	12,034	100.0	1,934	3.5	0.0	3.4	26.5	30.0	25.1	61.9	65.0	65.4	8.1	5.0	6.2	0.0	0.0	0.0

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>												<b>2018-20</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
IL Non-MSA	40	12,034	100.0	1,934	76.5	75.0	43.9	5.6	22.5	17.9	2.5	

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography</b>																				<b>2018-20</b>
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	Aggregate	
IL Non-MSA	20	4,379	100.0	369	0.3	0.0	0.0	8.8	13.0	4.6	87.8	69.6	94.0	3.1	4.3	1.4	0.0	0.0	0.0	

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*

<b>Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues</b>												<b>2018-20</b>
Assessment Area:	Total Loans to Farms				Farms with Revenues <= IMM			Farms with Revenues > IMM		Farms with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans	
IL Non-MSA	20	4,379	100.0	369	97.9	95.0	52.3	0.8	5.0	1.3	0.0	

*Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.  
Due to rounding, totals may not equal 100.0%*