

PUBLIC DISCLOSURE

September 16, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Du Quoin State Bank
RSSD #823142**

**15 East Main Street
Du Quoin, Illinois 62832**

Federal Reserve Bank of St. Louis

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

Du Quoin State Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's loan-to-deposit ratio (LTD) is less than reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans and other lending-related activities are originated inside the AAs.
- The borrower's profile analysis reveals reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI).
- The geographic distribution of loans reflects a poor dispersion throughout the AAs.
- Neither the bank nor this Reserve Bank received any CRA-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* were utilized to evaluate the bank's CRA performance. Bank performance under this test is rated within each of the bank's AAs. The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each AA completed as part of this evaluation.

Assessment Area	Offices		Deposits As of June 30, 2024		Review Procedures
	#	%	\$	%	
Southwestern Illinois	4	80.0	119,702	100.0	Full Scope
Jackson County	1	20.0	0	0.0	Limited Scope
TOTAL	5	100.0	119,702	100.0	1 – Full Scope

CRA performance in the Southwestern Illinois AA was given primary consideration when determining overall Lending Test conclusions, based on branch structure and loan and deposit activity being primarily within the Southwestern Illinois AA. In addition, the bank entered the Jackson County market during the review period.

The bank's lending performance was evaluated using 1–4 family residential real estate and consumer motor vehicle loans, as these loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy. The following table includes the corresponding time periods for each performance category.

Performance Criterion	Time Period
LTD Ratio	September 30, 2019 – June 30, 2024
AA Concentration	January 1, 2022 – December 31, 2023
Loan Distribution by Borrower’s Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	August 19, 2019 – September 15, 2024

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American Community Survey data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank’s lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from \$135.8 million to \$178.2 million as of June 30, 2024.

To augment this evaluation, one community contact interview was conducted with a member of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank’s Southwestern Illinois AA. Information from this interview also assisted in evaluating the bank’s responsiveness to identified community credit needs and community development opportunities. Key details from this community contact interview are included in the *Description of Assessment Area* section for the Southwestern Illinois AA.

DESCRIPTION OF INSTITUTION

Du Quoin State Bank is an intrastate community bank headquartered in Du Quoin, Illinois. The bank’s characteristics include:

- The bank is a wholly owned subsidiary of Perry County Bancorp Inc., Du Quoin, Illinois.
- The bank has total assets of \$129.2 million as of June 30, 2024. This represents an increase of 21.8 percent since the last evaluation.
- The bank opened two new full-service branches during the review period, one in the Southwestern Illinois AA and one in the Jackson County AA.
- The bank operates five total branches. Four are located in the Southwestern Illinois AA and one is located in the Jackson County AA.

- The bank operates five cash-dispersing automated teller machines (ATMs). Four are located in the Southwestern Illinois AA and one is located in the Jackson County AA.
- As shown in the following table, the bank's primary business focus is 1–4 family residential real estate loans. While not reflected in the table, it is worth noting that by number of loans originated, loans to individuals, such as consumer motor vehicle loans, represent a significant product offering for the bank. Consumer loans, not related to residential real estate, are typically made in smaller dollar amounts relative to other products.

Composition of Loan Portfolio as of June 30, 2024		
Loan Type	Amount \$ (000s)	Percentage of Total Loans
1–4 Family Residential	18,033	49.7
Commercial Real Estate	10,528	29.0
Commercial and Industrial	3,812	10.5
Loans to Individuals	1,749	4.8
Total Other Loans	1,210	3.3
Farmland	692	1.9
Multifamily Residential	151	0.4
Farm Loans	123	0.3
Construction and Development	0	0.0
TOTAL	36,298	100.0
<i>Note: Percentages may not total 100.0% due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its August 19, 2019 performance evaluation. There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall performance under the Lending Test is Satisfactory.

Loan-to-Deposit (LTD) Ratio

This performance criterion evaluates the bank's average LTD ratio to determine the reasonableness of lending in light of performance context, such as the bank's capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on location, asset size, and loan portfolio.

Comparative LTD Ratios September 30, 2019 – June 30, 2024			
Institution	Location	Asset Size \$ (000s)	LTD Ratio (%)
			20-Quarter Average
Du Quoin State Bank	Du Quoin, Illinois	129,146	30.6
Similarly Situated Institutions			
Regional Banks	Pinckneyville, Illinois	135,777	43.4
	Pinckneyville, Illinois	178,159	65.1

While the bank holds a substantial portion of deposits that is unable to be lent, the level of lending is still significantly below that of other similarly situated peers. Therefore, the bank's average LTD ratio is less than reasonable given the bank's size, financial condition, and credit needs of its AAs.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the bank's AAs.

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
1-4 Family Residential Real Estate	50	86.2	6,448	87.2	8	13.8	945	12.8
Consumer Motor Vehicle	38	86.4	586	82.5	6	13.6	124	17.5
TOTAL LOANS	88	86.3	7,033	86.8	14	13.7	1,069	13.2
<i>Note: Percentages may not total 100.0% due to rounding.</i>								

A majority of the bank's loans, by number and dollar, are originated inside the AAs. Overall, 86.3 percent of the total loans were originated inside the AAs, accounting for 86.8 percent of the total dollar volume of loans.

Borrower and Geographic Distribution

The bank's performance by borrower's income is reasonable, based on the analyses of lending in the bank's AAs.

Assessment Area	Loan Distribution by Borrower's Profile
Southwestern Illinois	Reasonable
Jackson County	Below
OVERALL	Reasonable

The bank's distribution of lending by income level of census tract reflects poor penetration throughout the bank's AAs.

Assessment Area	Geographic Distribution of Loans
Southwestern Illinois	Poor
Jackson County	Consistent
OVERALL	Poor

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

SOUTHWESTERN ILLINOIS NONMETROPOLITAN STATISTICAL AREA *(Full-Scope Review)*

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE SOUTHWESTERN ILLINOIS ASSESSMENT AREA

The bank's Southwestern Illinois AA consists of the entireties of Perry and Franklin counties (see Appendix A for an AA map).

- The delineation of the AA was expanded since the prior evaluation, which was previously comprised solely of Perry County. The opening of a full-service branch in the city of Sesser prompted the addition of Franklin County.
- According to the June 30, 2024 Federal Deposit Market Share Report, the bank has a market share of 9.5 percent, which ranks fourth out of 12 FDIC-insured depository institutions operating in the AA.
- According to the U.S. Department of Labor, Bureau of Labor Statistics Quarterly Census of Employment and Wages data, the three largest nongovernmental industries in the AA, determined by number of employees, are retail trade (17.5 percent), accommodation and food services (14.4 percent), and healthcare and social assistance (14.0 percent).
- One community contact interview was conducted with an individual from an organization whose purpose is to develop and implement programs to support economic development and essential services in rural communities.

Assessment Area Demographics by Geography Income Level						
Assessment Area: Southwestern Illinois						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	2	6	10	0	0	18
	11.1%	33.3%	55.6%	0.0%	0.0%	100%
Family Population	1,292	5,397	8,914	0	0	15,603
	8.3%	34.6%	57.1%	0.0%	0.0%	100%

- As a result of expanding the AA, and census tract designation changes due to the release of 2020 census data, the number of LMI geographies in the AA increased from zero to eight census tracts.
- As shown in the above table, 44.4 percent of AA census tracts are LMI, while 42.9 percent of AA families reside in those tracts.

Population Change			
Assessment Area: Southwestern Illinois			
Area	2015 Population	2020 Population	Percent Change
Assessment Area	61,504	58,749	-4.5
Franklin County	39,694	37,804	-4.8
Perry County	21,810	20,945	-4.0
NonMSA Illinois	1,486,185	1,421,720	-4.3
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

- The population of the AA declined at a rate similar to that of nonMSA Illinois overall.

Median Family Income Change			
Assessment Area: Southwestern Illinois			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change
Assessment Area	58,827	59,089	0.4
Franklin County	56,675	56,940	0.5
Perry County	63,138	63,389	0.4
NonMSA Illinois	64,815	68,958	6.4
Source: 2011–2015 U.S. Census Bureau: American Community Survey 2016–2020 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

- The median family income of the AA increased at a significantly lower rate (0.4 percent) than that of nonMSA Illinois (6.4 percent). As of 2020, the median family income of the AA is \$59,089, which is significantly lower than that of nonMSA Illinois (\$68,958).

Unemployment Rates (%)					
Assessment Area: Southwestern Illinois					
Area	2019	2020	2021	2022	2023
Assessment Area	5.1	10.3	6.6	5.3	5.4
Franklin County	5.2	10.6	6.8	5.4	5.5
Perry County	5.0	9.6	6.1	5.2	5.3
NonMSA Illinois	4.2	7.8	5.2	4.4	4.6
Source: Bureau of Labor Statistics: Local Area Unemployment Statistics					

- The unemployment rate in the AA has generally remained steady over the past five years, notwithstanding the spike in 2020 that occurred nationwide due to the COVID-19 pandemic. Since 2019, the unemployment rate in the AA has consistently been higher than the levels seen in nonMSA Illinois.

Housing Cost Burden (%)						
Assessment Area: Southwestern Illinois						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	63.7	7.8	39.4	49.5	17.6	15.9
Franklin County	65.6	11.1	41.4	51.4	18.8	17.6
Perry County	60.2	1.1	35.8	44.8	15.1	12.7
NonMSA Illinois	65.4	16.5	35.6	51.6	17.6	14.0
<i>Cost burden is housing cost that equals 30% or more of household income.</i>						
<i>Source: 2016–2020 U.S. Department of Housing and Urban Development: Comprehensive Housing Affordability Strategy</i>						

- The proportion of housing cost-burdened LMI renters and owners in the AA is at or below the proportions in nonMSA Illinois.
- These statistics are impacted by the median home values and median rents in the bank’s AA compared to the median home values and median rents in nonMSA Illinois. In the AA, the median home value is \$79,556, and the median gross rent is \$622 per month. In comparison, the median home value in nonMSA Illinois is \$103,263, and the median gross rent is \$678.

Home Mortgage Loan Trends					
Assessment Area: Southwestern Illinois					
Area	2018	2019	2020	2021	2022
Assessment Area	606	634	820	968	649
Franklin County	414	446	592	725	475
Perry County	192	188	228	243	174
NonMSA Illinois	16,958	18,871	31,376	29,473	18,062
<i>Source: FFIEC Home Mortgage Disclosure Act Aggregate Data</i>					

- The number of home mortgage loans in the AA increased between 2018 and 2021 before decreasing in 2022. Over the course of the evaluation period, the majority of the home mortgage lending activity occurred within Franklin County.
- The community contact noted that the AA has not had any new housing construction in recent years due to a lack of economic drivers in the region, leading to a tighter housing market.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE SOUTHWESTERN ILLINOIS ASSESSMENT AREA

Loan Distribution by Borrower's Profile

This performance criterion evaluates the bank's lending to borrowers of different income levels. Overall, the bank's lending has a reasonable distribution among individuals of different income levels. While the bank's 1–4 family residential real estate lending performance to LMI borrowers is poor, the bank's consumer motor vehicle lending performance to LMI borrowers is excellent.

Residential Real Estate Lending

The bank's 1–4 family residential real estate loan distribution to LMI borrowers is poor. The bank's percentage of lending to low-income borrowers (13.2 percent) was below the low-income family population (27.8 percent) but approached the aggregate lending level to low-income borrowers (15.4 percent), reflecting reasonable performance. However, the bank's percentage of lending to moderate-income borrowers (15.8 percent) was lower than the aggregate (24.7 percent) and the demographic comparator (18.7%), reflecting poor performance.

Distribution of 2022–2023 Residential Real Estate Lending by Borrower Income Level							
Assessment Area: Southwestern Illinois							
Borrower Income Level	Bank and Aggregate Loans						Families by Family Income %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	5	13.2	15.4	178	4.1	8.3	27.8
Moderate	6	15.8	24.7	399	9.2	20.0	18.7
Middle	14	36.8	20.7	1,270	29.2	22.0	19.1
Upper	13	34.2	21.1	2,498	57.5	30.9	34.4
Unknown	0	0.0	18.2	0	0.0	18.7	0.0
TOTAL	38	100.0	100.0	4,345	100.0	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data							
2016–2020 U.S. Census Bureau: American Community Survey							
Note: Percentages may not total 100.0% due to rounding.							

Consumer Motor Vehicle

The borrower distribution of consumer motor vehicle lending is excellent. The bank's lending to low-income borrowers (38.2 percent) is significantly higher than the percentage of low-income households in the AA (31.6 percent) and is considered excellent. The bank's lending to moderate-income borrowers (17.6 percent) is slightly higher than the household comparator (15.5 percent) and is considered reasonable. When combined, the bank's lending to LMI borrowers significantly exceeds the percentage of LMI households in the AA.

- The community contact cited inadequate transportation infrastructure in the AA and individuals' need to commute long distances to the region's job centers, emphasizing the importance of motor vehicle loans to LMI individuals.

Distribution of 2022–2023 Consumer Motor Vehicle Lending by Borrower Income Level Assessment Area: Southwestern Illinois					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	# %	\$ (000s)	\$ %	
Low	13	38.2	145	27.7	31.6
Moderate	6	17.6	94	17.9	15.5
Middle	9	26.5	133	25.4	17.2
Upper	6	17.6	152	29.0	35.7
Unknown	0	0.0	0	0.0	0.0
TOTAL	34	100.0	524	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.					

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects poor distribution among the different census tracts and dispersion throughout the AA.

Residential Real Estate Lending

The geographic distribution of 1–4 family residential real estate lending is poor. The bank’s lending to borrowers in low- and moderate-income geographies (2.6 percent and 26.3 percent, respectively) is lower than the corresponding aggregate (8.4 percent and 39.1 percent, respectively) and demographic comparators (7.3 percent and 34.1 percent, respectively). Therefore, performance in both low- and moderate-income geographies throughout the AA is considered poor.

Distribution of 2022–2023 Residential Real Estate Lending by Income Level of Geography Assessment Area: Southwestern Illinois							
Geographic Income Level	Bank and Aggregate Loans						Owner- Occupied Units %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	1	2.6	8.4	44	1.0	6.8	7.3
Moderate	10	26.3	39.1	900	20.7	34.4	34.1
Middle	27	71.1	52.5	3,401	78.3	58.8	58.6
Upper	0	0.0	0.0	0	0.0	0.0	0.0
Unknown	0	0.0	0.1	0	0.0	0.1	0.0
TOTAL	38	100.0	100.0	4,345	100.0	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.							

Consumer Motor Vehicle

The geographic distribution of consumer motor vehicle lending is reasonable. The bank's lending to low-income borrowers (2.6 percent) is lower than the percentage of low-income households in the AA (9.3 percent) and is considered poor. However, the bank's lending to moderate-income borrowers (32.4 percent) is only slightly lower than the household comparator (36.0 percent) and is considered reasonable.

- The AA was expanded during the evaluation period to include Franklin County, which contains most of the LMI census tracts.

Distribution of 2022–2023 Consumer Motor Vehicle Lending by Income Level of Geography Assessment Area: Southwestern Illinois					
Geographic Income Level	Bank Loans				Households %
	#	# %	\$ (000s)	\$ %	
Low	1	2.9	3	0.6	9.3
Moderate	11	32.4	161	30.7	36.0
Middle	22	64.7	361	68.8	54.7
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
TOTAL	34	100.0	525	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.					

JACKSON COUNTY NONMETROPOLITAN STATISTICAL AREA (Limited-Scope Review)

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

This AA includes the entirety of Jackson County, which is currently located in a nonMSA portion of southern Illinois. However, for the majority of the review period, Jackson County was one of the three counties that comprised the Carbondale-Marion, Illinois MSA. Nevertheless, the bank operates one office in this AA, which was opened during the evaluation period. The tables below detail key demographics relating to this AA.

Population Change			
Area	2015 Population	2020 Population	Percent Change
Assessment Area	59,534	52,974	-11.0
Carbondale-Marion, Illinois MSA	139,484	133,435	-4.3
NonMSA Illinois	1,486,185	1,421,720	-4.3
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey			

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change
Assessment Area	59,103	65,127	10.2
Carbondale-Marion, Illinois MSA	61,056	67,046	9.8
NonMSA Illinois	64,815	68,958	6.4
Source: 2020 U.S. Census Bureau: Decennial Census 2011–2015 U.S. Census Bureau: American Community Survey Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.			

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

The bank's Lending Test performance in this AA is below the bank's Lending Test performance in the AA within the nonMSA portion of the state of Illinois that was reviewed using full-scope procedures, as detailed in the following table. For more detailed information relating to the bank's Lending Test performance in this AA, see the tables in Appendix A.

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

**APPENDIX A – LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE
REVIEW ASSESSMENT AREA**

Jackson County, Illinois Assessment Area

Distribution of 2022–2023 Residential Real Estate Lending by Borrower Income Level Assessment Area: Jackson County							
Borrower Income Level	Bank and Aggregate Loans						Families by Family Income %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	0	0.0	11.8	0	0.0	5.5	25.0
Moderate	2	16.7	20.9	84	4.0	13.2	17.7
Middle	1	8.3	20.5	40	1.9	16.2	16.4
Upper	9	75.0	30.4	1,979	94.1	34.8	40.8
Unknown	0	0.0	16.4	0	0.0	30.4	0.0
TOTAL	12	100.0	100.0	2,103	100.0	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.							

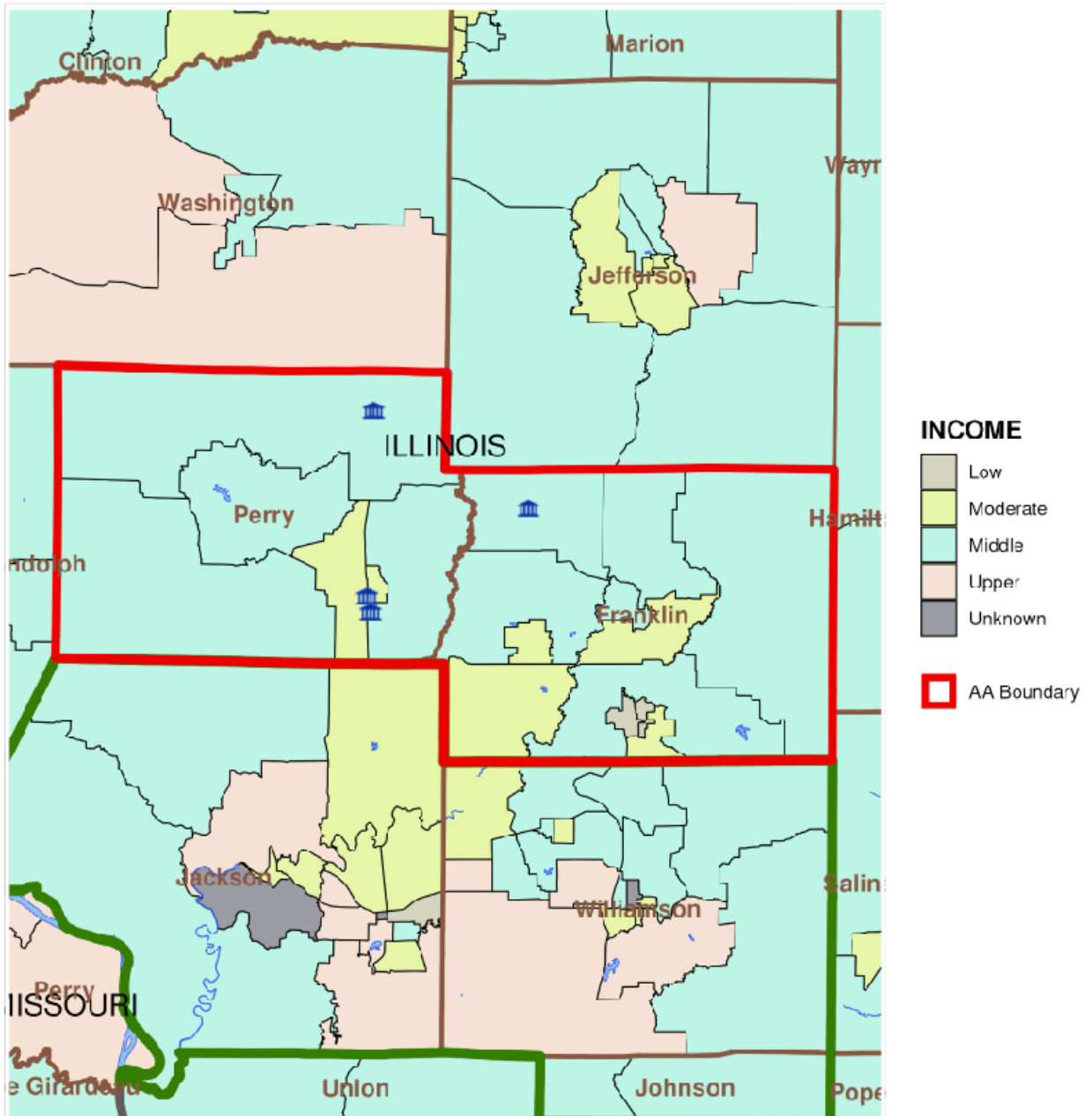
Distribution of 2022–2023 Consumer Motor Vehicle Lending by Borrower Income Level Assessment Area: Jackson County					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	# %	\$ (000s)	\$ %	
Low	2	50.0	11	18.0	32.9
Moderate	0	0.0	0	0.0	14.4
Middle	1	25.0	35	57.4	15.6
Upper	1	25.0	15	24.6	37.1
Unknown	0	0.0	0	0.0	0.0
TOTAL	4	100.0	61	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.					

Distribution of 2022–2023 Residential Real Estate Lending by Income Level of Geography Assessment Area: Jackson County							
Geographic Income Level	Bank and Aggregate Loans						Owner- Occupied Units %
	Bank		Aggregate	Bank		Aggregate	
	#	# %	# %	\$ (000s)	\$ %	\$ %	
Low	0	0.0	2.6	0.0	0.0	2.2	3.4
Moderate	3	25.0	35.6	303	14.4	23.4	34.7
Middle	7	58.3	12.9	1,517	72.1	13.0	17.3
Upper	1	8.3	40.9	235	11.2	52.8	38.7
Unknown	1	8.3	8.0	48	2.3	8.6	5.9
TOTAL	12	100.0	100.0	2,103	100.0	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.							

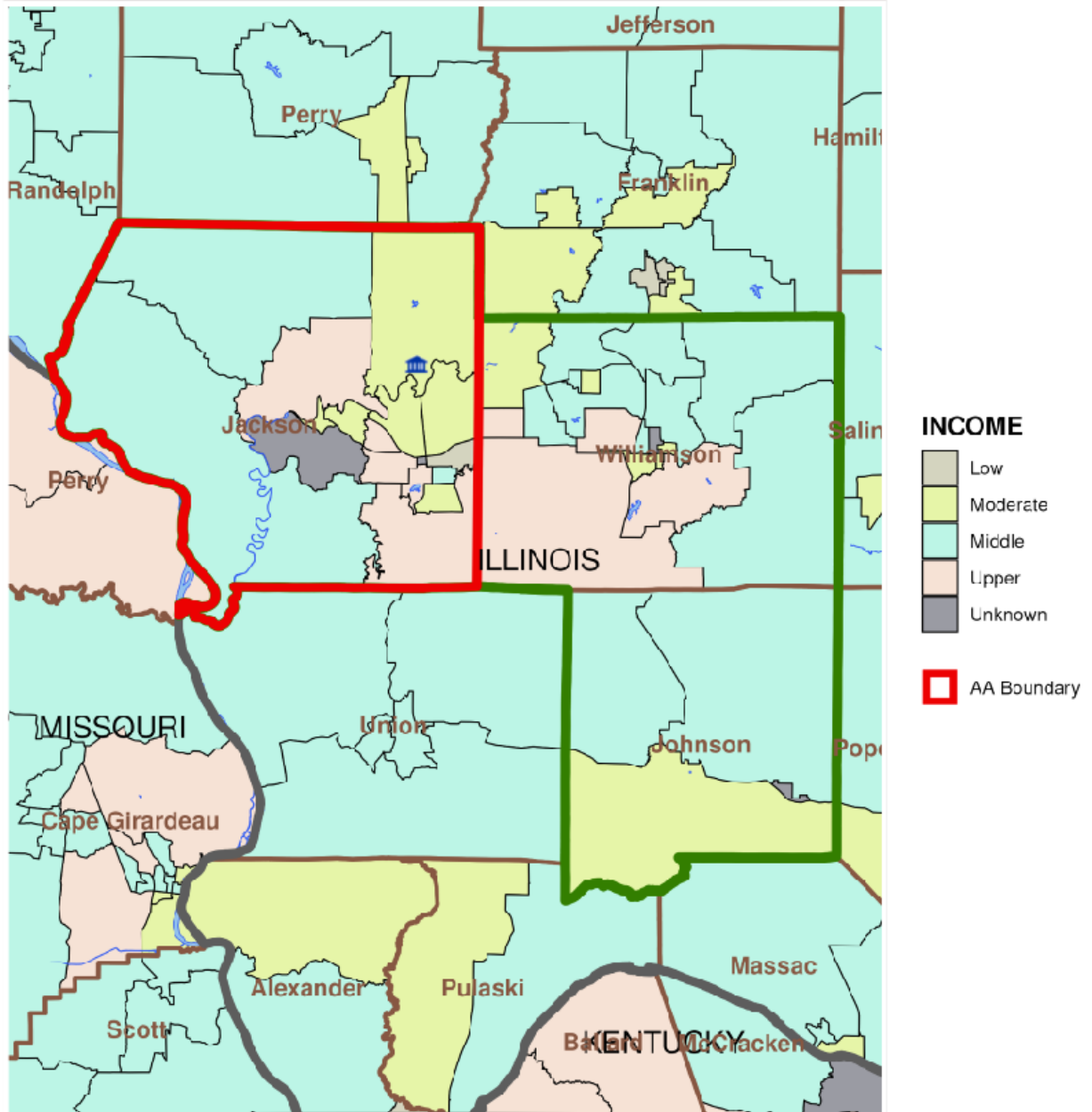
Distribution of 2022–2023 Consumer Motor Vehicle Lending by Income Level of Geography Assessment Area: Jackson County					
Geographic Income Level	Bank Loans				Households %
	#	# %	\$ (000s)	\$ %	
Low	0	0.0	0	0.0	10.1
Moderate	2	50.0	18	29.5	33.7
Middle	1	25.0	8	13.1	16.2
Upper	1	25.0	35	57.4	29.3
Unknown	0	0.0	0	0.0	10.7
TOTAL	4	100.0	61	100.0	100.0
Source: 2022 and 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0% due to rounding.					

APPENDIX B – MAP OF THE ASSESSMENT AREAS

Southwestern Illinois Assessment Area



Jackson County, Illinois Assessment Area



APPENDIX C – GLOSSARY

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

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

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

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

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

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

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

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20

percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

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

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

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

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

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

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

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

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