

PUBLIC DISCLOSURE

November 16, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Longview Bank
Certificate Number: 1786

102 South East Ave
Ogden, Illinois 61859

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

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

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

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A substantial majority of loans and other lending-related activities are in the institution's assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels, and farms and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

DESCRIPTION OF INSTITUTION

Longview Bank is headquartered in Ogden, Illinois and operates across five counties in east central Illinois. The bank is a wholly owned subsidiary of Longview Capital Corporation, a holding company headquartered in Newman, Illinois. In addition to Longview Bank, the holding company owns two other banks that operate in central Illinois: Bank of Gibson City (Gibson City, Illinois) and Longview Community Bank (Mount Pulaski, Illinois). Longview Bank received a Satisfactory rating at its previous FDIC Performance Evaluation dated September 5, 2017, based on Interagency Small Institution CRA Examination Procedures.

Longview Bank is primarily an agricultural lender, with agricultural and farmland-secured loans collectively making up approximately 44.0 percent of the total loan portfolio. Residential and commercial loans also make up sizeable portions of the total portfolio. The bank offers consumer loans, but consumer lending makes up a relatively small portion of the loan portfolio at 2.4 percent. The bank offers traditional deposit products including checking, savings, certificates of deposit, and individual retirement accounts. The bank also offers alternative delivery systems including online banking, mobile banking, and ATMs.

In August 2023, Longview Bank merged with Longview Bank and Trust (Longview B&T), a community bank operating in roughly the same geographic area as Longview Bank. The two institutions were previously affiliated, both owned by Longview Capital Corporation. Longview B&T operated four offices in Clark, Edgar, and Vermilion Counties. The merger roughly doubled the total asset size of Longview Bank. At the time of the merger, agricultural loans made up slightly more than half of Longview B&T's total loan portfolio.

Longview Bank currently operates 11 full-service offices across five counties, compared to 6 offices at the previous evaluation in 2017. The bank's assets totaled \$576.2 million as of September 30, 2023. This figure includes total loans of \$427.2 million and total securities of \$74.7 million. The bank has total deposits of \$485.2 million. The following table provides a breakdown of the bank's loan portfolio by category.

Loan Portfolio Distribution as of 9/30/2023		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	17,257	4.0
Secured by Farmland	95,375	22.3
Secured by 1-4 Family Residential Properties	72,716	17.0
Secured by Multifamily (5 or more) Residential Properties	48,803	11.4
Secured by Nonfarm Nonresidential Properties	46,795	11.0
Total Real Estate Loans	280,946	65.7
Commercial and Industrial Loans	34,626	8.1
Agricultural Production and Other Loans to Farmers	95,269	22.3
Consumer Loans	10,425	2.4
Obligations of State and Political Subdivisions in the U.S.	4,316	1.0
Other Loans	127	<0.1
Lease Financing Receivable (net of unearned income)	1,494	0.4
Less: Unearned Income	(0)	(0.0)
Total Loans	427,203	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would limit the institution's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Longview Bank designated three assessment areas. One assessment area is located in the nonmetropolitan portion of Illinois (Illinois Non-MSA), and the other two assessment areas are located in the Champaign-Urbana, Illinois Metropolitan Statistical Area (MSA) (Champaign MSA) and the Danville, Illinois MSA (Danville MSA). The following table provides a breakdown of specific counties, census tracts, and bank offices by assessment area.

Description of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of Census Tracts	# of Bank Offices
Illinois Non-MSA	Clark, Douglas, Edgar	14	6
Champaign MSA	Champaign	48	4
Danville MSA	Vermilion	24	1
<i>Source: 2020 U.S. Census, Bank Data</i>			

At their previous CRA evaluations, Longview Bank’s assessment areas included Champaign and Douglas counties, while Longview B&T’s assessment areas included Edgar and Vermilion counties. Clark County was not included in the prior assessment areas of either bank, as Longview B&T did not establish a branch there until November 2020.

The assessment areas conform to CRA requirements as they consist of whole geographies in which the bank has offices, do not reflect illegal discrimination, and do not arbitrarily exclude any low- or moderate -income geographies. Refer to the separate assessment area sections of this evaluation for more details on each area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated September 5, 2017, to the current evaluation dated November 16, 2023. Examiners used the Interagency Small Institution Examination Procedures to evaluate Longview Bank’s CRA performance. The appendices include a list of the specific criteria used to evaluate the bank’s performance.

Given the timing of the merger with Longview B&T, examiners conducted the current evaluation using combined, pre-merger loan data from both Longview Bank and Longview B&T. As such, this evaluation reflects combined loan data for both institutions. Both banks operated in roughly the same geographic area and were subsidiaries of the same holding company prior to the merger. Additionally, none of the loan data was included in the previous evaluations of either Longview Bank or Longview B&T. The FDIC conducted Longview B&T’s previous CRA evaluation in June 2017, just three months prior to the previous evaluation of Longview Bank. Longview B&T received a Satisfactory CRA rating at that evaluation based on Interagency Small Institution Examination Procedures.

For the current evaluation, examiners conducted full-scope reviews of all three assessment areas. In arriving at overall performance conclusions, the Illinois Non-MSA assessment area carried the most weight as this assessment area contained the highest loan volumes and the largest number of bank offices. The Champaign MSA and Danville MSA assessment areas carried less, and roughly equal, weight. By number of loans, loan origination volumes in each of these two assessment areas were generally less than half of the volume in the Illinois Non-MSA assessment area.

Activities Reviewed

For this evaluation, examiners reviewed home mortgage, small farm, and small business lending. Based on data availability, examiners reviewed home mortgage loans from 2021 and 2022, and small farm and small business loans from 2022 only. Home mortgage loans include all loans that Longview B&T reported under Home Mortgage Disclosure Act (HMDA) data collection requirements in 2021 and 2022. Although Longview Bank was not subject to HMDA data collection requirements in 2021 or 2022, the bank collected home mortgage data during this timeframe. Therefore, examiners combined the reported Longview B&T HMDA data with non-reported Longview Bank data to analyze home mortgage lending for 2021 and 2022. Similarly, using bank data, examiners analyzed combined pre-merger small farm and small business loan data for 2022.

Examiners analyzed the full universe of home mortgage loans for both 2021 and 2022. Examiners also reviewed full universe of small farm and small business loans for 2022 under the Assessment Area Concentration and Geographic Distribution criteria. However, based on revenue data availability, examiners selected and analyzed random samples of small farm and small business loans for the Borrower Profile criterion. The following table details the number and dollar volumes for each loan product reviewed.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Home Mortgage (2021)	466	60,215	466	60,215
Home Mortgage (2022)	375	76,251	375	76,251
Small Farm (2022)	471	61,635	70*	8,045*
Small Business (2022)	217	22,581	65*	5,780*

*Source: Bank Data. *Random samples analyzed for Borrower Profile criterion only.*

Based on the number and dollar volume of annual originations, home mortgage and small farm lending carried the most weight in arriving at overall conclusions. These two products carried roughly equal weight, and small business lending carried the least weight.

Examiners evaluated Longview Bank's CRA performance through comparisons to applicable demographic data. For 2021 home mortgage lending, examiners used 2015 American Community Survey (ACS) demographic data. For 2022 home mortgage lending, examiners used the more recent 2020 U.S. Census demographic data. For small farm and small business lending, examiners used 2022 D&B business demographic data. Finally, Longview Bank was not subject to HMDA or CRA data collection requirements in either 2021 or 2022; therefore, this evaluation does not include direct comparisons to HMDA or CRA aggregate data.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Overall, Longview Bank demonstrated reasonable performance under the Lending Test. Performance under each criterion supports this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The bank's loan-to-deposit ratio averaged 82.3 percent over the past 25 calendar quarters from September 30, 2017, to September 30, 2023.

Examiners evaluated Longview Bank's loan-to-deposit ratio through comparisons to five similarly situated banks. Examiners selected these banks based on asset size, geographic location, and lending focus. As shown in the following table, Longview Bank maintained an average loan-to-deposit ratio higher than three of these banks and below two banks. Additionally, prior to the merger with Longview Bank, Longview B&T maintained a similar loan-to-deposit ratio, averaging 80.7 percent over the 24 calendar quarters from September 30, 2017, to June 30, 2023.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 9/30/2023 (\$000s)	Average Net LTD Ratio (%)
Longview Bank	576,201	82.3
First Neighbor Bank (Toledo IL)	594,737	89.3
Casey State Bank (Casey IL)	459,888	81.4
The Fisher National Bank (Fisher IL)	332,155	85.7
Bank of Rantoul (Rantoul IL)	240,422	50.0
The Gifford State Bank (Gifford IL)	191,313	81.0

Source: Reports of Condition and Income 9/30/2017 - 9/30/2023

Assessment Area Concentration

A substantial majority of loans and other lending related activities are in the institution's assessment areas. As shown in the following table, among the three loan products reviewed, the bank originated 86.1 percent of loans by number inside the assessment areas.

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										
2021	396	85.0	70	15.0	466	48,993	81.4	11,222	18.6	60,215
2022	313	83.5	62	16.5	375	62,153	81.5	14,099	18.5	76,251
Subtotal	709	84.3	132	15.7	841	111,146	81.5	25,321	18.5	136,466
Small Farm										
2022	430	91.3	41	8.7	471	56,578	91.8	5,057	8.2	61,635
Subtotal	430	91.3	41	8.7	471	56,578	91.8	5,057	8.2	61,635
Small Business										
2022	178	82.0	39	18.0	217	17,565	77.8	5,016	22.2	22,581
Subtotal	178	82.0	39	18.0	217	17,565	77.8	5,016	22.2	22,581
Total	1,317	86.1	212	13.9	1,529	185,289	84.0	35,394	16.0	220,682
<i>Source: Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Excellent performance in the Illinois Non-MSA assessment area and reasonable performance in the Champaign MSA and Danville MSA assessment areas support this conclusion. Although overall performance was reasonable, examiners identified weaknesses in the geographic distribution of small business loans in both the Champaign MSA and Danville MSA assessment areas. Refer to the separate assessment area sections of this evaluation for more detailed information.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, and farms and businesses of different sizes. Reasonable performance in each assessment area supports this conclusion. Refer to the separate assessment area sections of this evaluation for more detailed information.

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the CRA rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not

identify any discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's CRA rating.

NONMETROPOLITAN ILLINOIS – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NONMETROPOLITAN ILLINOIS

This assessment area includes the entirety of Clark, Douglas, and Edgar counties in Illinois. These three counties are contiguous and located along the Indiana border. Longview Bank operates six full-service branch offices in this assessment area: three in Douglas County, two in Edgar County, and one in Clark County.

Of the six offices in this assessment area, the three Douglas County branches were Longview Bank branches prior to the merger with Longview B&T. The Clark and Edgar county branches were former Longview B&T offices. Prior to the merger, Longview Bank opened one office and closed one office in Douglas County in September 2022. Also prior to the merger, Longview B&T opened a new office in Clark County in November 2020. Collectively, these changes had a minimal impact on low- and moderate-income areas as both Clark and Douglas counties consist entirely of middle- and upper-income census tracts.

Economic and Demographic Data

The assessment area contains 14 census tracts. According to 2020 U.S. Census data, one tract is moderate-income, one tract is upper-income, and the remaining tracts are middle-income. The assessment area does not contain any low-income tracts. The sole moderate-income tract is located in Paris in Edgar County. Longview Bank's Paris branch is in a middle-income tract immediately adjacent to this moderate-income tract. Furthermore, the assessment area previously had two moderate-income tracts, both in Edgar County, according to 2015 ACS data.

The following table details select economic and demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Illinois Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	7.1	85.7	7.1	0.0
Population by Geography	52,061	0.0	7.5	83.5	9.0	0.0
Housing Units by Geography	25,118	0.0	8.1	83.2	8.7	0.0
Owner-Occupied Units by Geography	16,848	0.0	8.3	83.8	7.8	0.0
Occupied Rental Units by Geography	5,329	0.0	5.5	81.8	12.7	0.0
Vacant Units by Geography	2,941	0.0	11.7	81.8	6.4	0.0
Businesses by Geography	3,804	0.0	5.7	84.6	9.7	0.0
Farms by Geography	541	0.0	4.3	92.8	3.0	0.0
Family Distribution by Income Level	15,223	18.5	19.7	21.9	39.8	0.0
Median Family Income Non-MSAs - IL		\$68,958	Median Housing Value			\$99,504
			Median Gross Rent			\$696
			Families Below Poverty Level			8.9%

*Source: 2020 U.S. Census and 2022 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.*

The assessment area is primarily rural and has the lowest population of the bank's three assessment areas. Paris (Edgar County) is the largest city among the three counties, with a population of slightly more than 8,000. The total population of the assessment area has declined by approximately 1,900 compared to 2015 ACS data. With over 500 farms located in the assessment area, agriculture remains an important driver of the local economy.

Unemployment rates throughout the assessment area have generally declined over the past several years following spikes at the onset of the COVID-19 pandemic in 2020. After reaching 3.5 percent or lower in 2022, unemployment rates began gradually increasing in the latter half of 2023. As of September 2023, the unemployment rate was 4.8 percent in Clark County, 4.1 percent in Douglas County, and 4.1 percent in Edgar County. For comparison, the Illinois statewide unemployment rate was 4.9 percent for this same timeframe. Throughout the evaluation period, unemployment was consistently highest in Clark County and lowest in Douglas County.

Examiners used the FFIEC-adjusted median family income levels to analyze home mortgage lending performance under the Borrower Profile criterion. The following table depicts the income levels by year.

Median Family Income Ranges – Illinois Non-MSA (99999)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$66,700)	<\$33,350	\$33,350 to <\$53,360	\$53,360 to <\$80,040	≥\$80,040
2022 (\$76,100)	<\$38,050	\$38,050 to <\$60,880	\$60,880 to <\$91,320	≥\$91,320

Source: FFIEC

Competition

The assessment area has a moderate level of competition in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 13 banks operated 32 offices in the assessment area. Of these banks, Longview Bank ranked 12th with a deposit market share of 2.3 percent. As of the same date, Longview B&T ranked fifth with a deposit market share of 8.4 percent. The top three banks in the assessment area each had deposit market shares of approximately 16.0 percent.

According to HMDA aggregate data, 112 lenders reported 874 home mortgage loans originated or purchased in 2022. Longview Bank is not included in the aggregate data given that the bank did not report HMDA data that year. However, Longview B&T ranked second among this group of lenders with a market share of 13.4 percent. Furthermore, according to 2021 CRA aggregate data, 19 lenders reported 490 small farm loans originated or purchased in the assessment area, and 45 lenders reported 982 small business loans originated or purchased.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to those needs. It also shows what credit and community development opportunities are available.

Examiners contacted a representative of an agriculture-related organization in the assessment area. The contact noted that agricultural conditions have been favorable over the past several years, but crop prices have declined in recent months. Demand for farm loans remains strong. The contact noted healthy competition among area lenders and was not aware of any unmet credit needs.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage, small business, and small farm loans all represent credit needs in the assessment area. As noted by the community contact, small farm lending is especially important in this assessment area given the local economy's reliance on agriculture.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NONMETROPOLITAN ILLINOIS

LENDING TEST

Longview Bank demonstrated reasonable performance in the Illinois Non-MSA assessment area. Geographic Distribution and Borrower Profile performance support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects excellent dispersion throughout the assessment area. Home mortgage and small business lending performance primarily support this conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the assessment area. In 2021, the bank's home mortgage lending by number in moderate-income tracts represented nearly one third of total bank lending in this assessment area and was nearly double the demographic data. Lending remained strong in 2022, exceeding the demographic data. The following table details the distribution of home mortgage loans by tract income category.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Illinois Non-MSA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Moderate					
2021	17.2	74	32.2	6,797	28.7
2022	8.3	22	13.9	2,078	13.5
Middle					
2021	82.8	156	67.8	16,874	71.3
2022	83.8	125	79.1	12,072	78.4
Upper					
2021	0.0	0	0.0	0	0.0
2022	7.8	11	7.0	1,240	8.1
Totals					
2021	100.0	230	100.0	23,672	100.0
2022	100.0	158	100.0	15,390	100.0

*Source: 2015 ACS, 2020 U.S. Census, Bank Data
Due to rounding, totals may not equal 100.0%*

Small Farm Loans

The geographic distribution of small farms loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank originated four small farm loans in the moderate-income tract in 2022, which was slightly below the demographic data. However, given the very small percentage of assessment area farms located in this single moderate-income tract, the bank's performance is reasonable.

Geographic Distribution of Small Farm Loans					
Assessment Area: Illinois Non-MSA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2022	4.3	4	1.6	685	2.3
Middle					
2022	92.8	245	98.0	28,874	97.5
Upper					
2022	3.0	1	0.4	62	0.2
Totals					
2022	100.0	250	100.0	29,621	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The geographic distribution of small business loans reflects excellent dispersion throughout the assessment area. As shown in the following table, by number of loans, the bank's origination of small business loans in the moderate-income tract was double the percentage of businesses located in that tract in 2022.

Geographic Distribution of Small Business Loans					
Assessment Area: Illinois Non-MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2022	5.7	10	11.4	403	5.2
Middle					
2022	84.6	74	84.1	6,704	87.1
Upper					
2022	9.7	4	4.5	590	7.7
Totals					
2022	100.0	88	100.0	7,697	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, and farms and businesses of different sizes. Home mortgage and small farm lending performance primarily support this conclusion.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects reasonable penetration among individuals of different income levels. Although lending to low-income borrowers lagged the demographic data in both 2021 and 2022, the bank's performance is reasonable given that many low-income individuals have incomes below the poverty line and are therefore unlikely to qualify for a traditional home mortgage loan. Lending to moderate-income borrowers was stronger, exceeding demographic data in both years and supporting reasonable performance under this criterion.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Illinois Non-MSA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2021	20.1	30	13.0	1,650	7.0
2022	18.5	16	10.1	1,055	6.9
Moderate					
2021	18.1	60	26.1	4,799	20.3
2022	19.7	33	20.9	2,473	16.1
Middle					
2021	22.7	53	23.0	4,514	19.1
2022	21.9	34	21.5	2,998	19.5
Upper					
2021	39.1	74	32.2	11,318	47.8
2022	39.8	45	28.5	5,659	36.8
Not Available					
2021	0.0	13	5.7	1,391	5.9
2022	0.0	30	19.0	3,204	20.8
Totals					
2021	100.0	230	100.0	23,672	100.0
2022	100.0	158	100.0	15,390	100.0
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different sizes. As shown in the following table, lending to farms with revenues of \$1 million or less lagged the demographic data in 2022. However, with more than 80.0 percent of loans originated to farms in this revenue category, the lending distribution reflects the bank's willingness to lend to farms of all sizes and supports reasonable performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Illinois Non-MSA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤\$1,000,000					
2022	97.8	33	82.5	3,259	75.5
>\$1,000,000					
2022	1.3	7	17.5	1,055	24.5
Revenue Not Available					
2022	0.9	0	0.0	0	0.0
Totals					
2022	100.0	40	100.0	4,314	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different sizes. As shown in the following table, 92.0 percent of the bank's small business loan originations in 2022 were to businesses with revenues of \$1 million or less, significantly exceeding the demographic data.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Illinois Non-MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000					
2022	80.7	23	92.0	808	28.8
>\$1,000,000					
2022	4.8	2	8.0	2,000	71.2
Revenue Not Available					
2022	14.5	0	0.0	0	0.0
Totals					
2022	100.0	25	100.0	2,808	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

CHAMPAIGN, ILLINOIS MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN CHAMPAIGN, ILLINOIS MSA

This assessment area includes the entirety of Champaign County in east central Illinois. Longview Bank operates its main office and three additional full-service branches in this assessment area. All four offices are located in the rural eastern portions of the county, roughly five or more miles from the more populated Cities of Champaign and Urbana. Additionally, Longview B&T did not maintain any offices in this assessment area prior to the merger with Longview Bank.

Economic and Demographic Data

The assessment area contains 48 tracts. According to 2020 U.S. Census data, these tracts reflect the following income designations:

- 7 low-income tracts
- 8 moderate-income tracts
- 10 middle-income tracts
- 18 upper-income tracts
- 5 tracts with no income designation

The low- and moderate-income tracts are largely concentrated in the central portion of the county in the Cities of Champaign and Urbana. Rantoul, a smaller city in the northern portion of the county, also contains one low- and two moderate-income tracts. The total number of tracts in Champaign County increased from 43 under 2015 ACS data to 48 under 2020 U.S. Census data; however, the total number of low- and moderate-income tracts remained unchanged at 15. Furthermore, of the five tracts currently with no income designation, most of these contain portions of the University of Illinois Urbana-Champaign campus.

The following table details select economic and demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Champaign MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	48	14.6	16.7	20.8	37.5	10.4
Population by Geography	205,865	13.6	19.8	22.2	37.1	7.3
Housing Units by Geography	93,679	14.8	22.2	23.9	33.4	5.7
Owner-Occupied Units by Geography	44,088	5.0	21.3	28.4	44.7	0.7
Occupied Rental Units by Geography	38,971	23.1	23.6	18.5	24.1	10.7
Vacant Units by Geography	10,620	25.3	20.7	25.1	20.9	8.0
Businesses by Geography	15,573	11.0	18.9	24.5	39.8	5.8
Farms by Geography	768	3.4	9.9	43.6	42.1	1.0
Family Distribution by Income Level	42,618	23.4	16.4	19.8	40.4	0.0
Median Family Income MSA - 16580 Champaign-Urbana, IL MSA		\$83,169	Median Housing Value			\$141,762
			Median Gross Rent			\$878
			Families Below Poverty Level			8.8%

Source: 2020 U.S. Census and 2022 D&B Data
Due to rounding, totals may not equal 100.0%
(* The NA category consists of geographies that have not been assigned an income classification.

The assessment area's population has remained stable since the previous evaluation, in contrast to the bank's two other assessment areas that have experienced population loss. According to Moody's Analytics, the Champaign MSA has a healthy local economy anchored by the presence of the University of Illinois Urbana-Champaign, which is the top employer in the assessment area. Other major employers include Carle Foundation Hospital, Parkland College, and Kraft Foods.

After nearing 3.0 percent in 2022, unemployment rates in the assessment area began trending upward in 2023. As of September 2023, the unemployment rate in Champaign County was 4.8 percent, slightly below the Illinois statewide rate of 4.9 percent for the same timeframe.

Among the bank's three assessment areas, the Champaign MSA has the highest median family income, the highest median housing value, and the lowest percentage of families below the poverty level. Additionally, this assessment area has the highest portion of rental units, representing 41.6 percent of all housing units in Champaign County. The following table presents the assessment area's median family income levels for 2021 and 2022, as updated by the FFIEC.

Median Family Income Ranges – Champaign MSA (16580)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120
2022 (\$91,300)	<\$45,650	\$45,650 to <\$73,040	\$73,040 to <\$109,560	≥\$109,560

Source: FFIEC

Competition

The assessment area has a moderate level of competition in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 29 banks operated 71 offices in the assessment area. Of these banks, Longview Bank ranked fifth with a deposit market share of 3.1 percent.

According to HMDA aggregate data, 248 lenders reported 4,288 home mortgage loans originated or purchased in 2022. Had Longview Bank reported HMDA data in 2022, the bank would have ranked 19th with a market share of approximately 1.7 percent. Furthermore, according to 2021 CRA aggregate data, 17 lenders reported 211 small farm loans originated or purchased in the assessment area, and 78 lenders reported 3,324 small business loans originated or purchased.

Community Contact

Examiners reviewed a recent contact with a representative of an economic development organization in the assessment area. The contact stated that a housing shortage in the county is driving up housing costs. Single-family housing is particularly in demand. The contact stated that local banks are highly involved in the community and adequately meet the credit needs of local businesses, farms, and individuals.

Credit Needs

Considering information from the community contact, bank management, and economic and demographic data, examiners determined that home mortgage lending represents the primary credit need of the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CHAMPAIGN, ILLINOIS MSA

LENDING TEST

Longview Bank demonstrated reasonable performance in the Champaign MSA assessment area. Geographic Distribution and Borrower Profile performance support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Although small business lending performance was poor, reasonable home mortgage and small farm lending performance support the overall conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. The bank demonstrated strong lending performance in low-income tracts, exceeding demographic data in both 2021 and 2022. As shown in the following table, the bank's

performance by number was more than double the demographic data in 2022. Notably, in both years, more than one third of the bank’s total lending by dollar volume was in low-income tracts, exceeding the demographic data each year. This is primarily due to the bank financing several large, multifamily housing properties in low-income tracts.

Lending in moderate-income tracts was weaker, lagging the demographic data in both years. Although lending in moderate-income tracts increased significantly from 2021 to 2022, lending remained below demographic data in 2022 due to changing demographics from year to year. However, given the increasing trend in lending in moderate-income tracts, along with the bank’s excellent lending performance in low-income tracts, overall performance under this criterion is reasonable.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Champaign MSA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2021	5.5	5	6.9	5,452	35.6
2022	5.0	8	10.8	15,227	39.3
Moderate					
2021	12.1	2	2.8	190	1.2
2022	21.3	10	13.5	3,223	8.3
Middle					
2021	57.6	57	79.2	8,380	54.7
2022	28.4	25	33.8	10,446	26.9
Upper					
2021	24.7	8	11.1	1,299	8.5
2022	44.7	31	41.9	9,885	25.5
Not Available					
2021	0.1	0	0.0	0	0.0
2022	0.7	0	0.0	0	0.0
Totals					
2021	100.0	72	100.0	15,321	100.0
2022	100.0	74	100.0	38,782	100.0
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, lending in low-income tracts slightly exceeded the demographic data, but the bank did not originate any small farm loans in moderate-income tracts. However, this performance is reasonable given the limited opportunities for small farm lending in

these tracts. All of the moderate-income tracts in Champaign County are located in the more populated portions of the county, in the Cities of Champaign, Urbana, and Rantoul. In contrast, more than 85.0 percent of assessment area farms are located in the more rural middle- and upper-income portions of the county. Given these factors, in conjunction with the bank's success in penetrating low-income tracts, overall performance under this criterion is reasonable.

Geographic Distribution of Small Farm Loans					
Assessment Area: Champaign MSA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low					
2022	3.4	3	3.7	214	1.8
Moderate					
2022	9.9	0	0.0	0	0.0
Middle					
2022	43.6	33	40.7	5,549	45.7
Upper					
2022	42.1	45	55.6	6,387	52.6
Not Available					
2022	1.0	0	0.0	0	0.0
Totals					
2022	100.0	81	100.0	12,150	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The geographic distribution of small business loans reflects poor dispersion throughout the assessment area. As shown in the following table, the bank originated only one small business loan in a low- or moderate-income tract in 2022, despite approximately 30.0 percent of assessment area businesses being located in these tracts.

Geographic Distribution of Small Business Loans					
Assessment Area: Champaign MSA					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2022	11.0	1	2.6	331	9.4
Moderate					
2022	18.9	0	0.0	0	0.0
Middle					
2022	24.5	15	38.5	1,072	30.5
Upper					
2022	39.8	23	59.0	2,112	60.1
Not Available					
2022	5.8	0	0.0	0	0.0
Totals					
2022	100.0	39	100.0	3,515	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, and farms and businesses of different sizes. Home mortgage, small farm, and small business lending performance all support this conclusion.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects reasonable penetration among individuals of different income levels. Although lending to low-income borrowers lagged the demographic data in both 2021 and 2022, the bank's performance is reasonable given that many low-income individuals have incomes below the poverty line and are therefore unlikely to qualify for a traditional home mortgage loan. Lending to moderate-income borrowers was slightly below the demographic data in 2021 and nearly identical to the demographic data in 2022, supporting reasonable performance under this criterion.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Champaign MSA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2021	22.5	6	8.3	756	4.9
2022	23.4	6	8.1	556	1.4
Moderate					
2021	16.6	11	15.3	1,591	10.4
2022	16.4	12	16.2	1,441	3.7
Middle					
2021	20.4	19	26.4	2,426	15.8
2022	19.8	8	10.8	708	1.8
Upper					
2021	40.5	22	30.6	4,067	26.5
2022	40.4	6	8.1	1,177	3.0
Not Available					
2021	0.0	14	19.4	6,481	42.3
2022	0.0	42	56.8	34,900	90.0
Totals					
2021	100.0	72	100.0	15,322	100.0
2022	100.0	74	100.0	38,782	100.0
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different sizes. As shown in the following table, 96.7 percent of assessment area farms have revenues of \$1 million or less, and more than 90.0 percent of the bank's loans were in this category.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Champaign MSA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤\$1,000,000					
2022	96.7	11	91.7	1,194	91.7
>\$1,000,000					
2022	0.9	1	8.3	108	8.3
Revenue Not Available					
2022	2.3	0	0.0	0	0.0
Totals					
2022	100.0	12	100.0	1,302	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different sizes. As shown in the following table, 80.0 percent of the bank's small business loan originations in 2022 were to businesses with revenues of \$1 million or less, which is comparable to the 84.3 percent of assessment area businesses in this revenue category.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Champaign MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000					
2022	84.3	8	80.0	555	67.5
>\$1,000,000					
2022	3.5	2	20.0	267	32.5
Revenue Not Available					
2022	12.2	0	0.0	0	0.0
Totals					
2022	100.0	10	100.0	822	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

DANVILLE, ILLINOIS MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN DANVILLE, ILLINOIS MSA

This assessment area includes the entirety of Vermilion County in east central Illinois. Longview Bank operates one full-service branch office in this assessment area, which was previously a Longview B&T branch prior to the merger with Longview Bank. This office is located in Georgetown, approximately ten miles south of Danville. Additionally, the bank operates a loan production office in Danville, which opened in 2018.

Economic and Demographic Data

The assessment area contains 24 tracts. According to 2020 U.S. Census data, these tracts reflect the following income designations:

- 3 low-income tracts
- 2 moderate-income tracts
- 12 middle-income tracts
- 6 upper-income tracts
- 1 tracts with no income designation

The low- and moderate-income tracts are mostly contiguous and located in Danville. Under the previous 2015 ACS income designations, Vermilion County had 1 low- and 5 moderate-income tracts.

The following table details select economic and demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Danville MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	24	12.5	8.3	50.0	25.0	4.2
Population by Geography	74,188	8.9	10.1	51.1	28.1	1.8
Housing Units by Geography	36,035	9.9	9.0	52.1	26.9	2.1
Owner-Occupied Units by Geography	21,964	5.6	6.2	54.4	32.1	1.7
Occupied Rental Units by Geography	9,049	17.3	13.1	48.5	18.5	2.5
Vacant Units by Geography	5,022	14.9	14.0	48.7	19.2	3.2
Businesses by Geography	4,410	14.8	10.1	47.1	25.3	2.7
Farms by Geography	348	1.4	3.4	46.6	48.6	0.0
Family Distribution by Income Level	19,041	22.7	18.4	18.5	40.4	0.0
Median Family Income MSA - 19180 Danville, IL MSA		\$60,958	Median Housing Value			\$80,259
			Median Gross Rent			\$660
			Families Below Poverty Level			14.7%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Vermilion County's population continues to decline. According to the 2020 U.S. Census, total population decreased by more than 6,000, or approximately 7.7 percent, compared to 2015 ACS data. Of the bank's three assessment areas, the Danville MSA has the lowest median family income level, lowest median housing value, and highest unemployment rate. At 14.7 percent, Vermilion County also has the highest share of families below the poverty line, compared to approximately 9.0 percent in the other two assessment areas.

Moody's Analytics notes that local economic growth remains sluggish, with Danville generally lagging the performance of regional peers. The Danville MSA remains reliant on the manufacturing sector, including automobile parts manufacturing and food processing. Top employers in Vermilion County include the Danville Veterans Affairs Medical Center and McLane Company, which operates a food distribution center in Danville.

Vermilion County's unemployment rate dipped below 5.0 percent in 2022, but trended upward throughout most of 2023. As of September 2023, the unemployment rate was 6.3 percent, higher than the Illinois statewide rate of 4.9 percent for this same timeframe.

The following table presents the assessment area's median family income levels for 2021 and 2022, as updated by the FFIEC.

Median Family Income Ranges – Danville MSA (19180)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$59,300)	<\$29,650	\$29,650 to <\$47,440	\$47,440 to <\$71,160	≥\$71,160
2022 (\$62,500)	<\$31,250	\$31,250 to <\$50,000	\$50,000 to <\$75,000	≥\$75,000

Source: FFIEC

Competition

The assessment area has a moderate level of competition in the market for financial services. According to FDIC Deposit Market Share data as of June 30, 2023, 15 banks operated 23 offices in the assessment area. Longview Bank was not included in this data given that the bank did not maintain an office in the assessment area prior to the merger. However, Longview B&T ranked fifth with a deposit market share of 5.8 percent.

According to HMDA aggregate data, 117 lenders reported 1,214 home mortgage loans originated or purchased in 2022. Longview Bank is not included in the aggregate data given that the bank did not report HMDA data that year. However, Longview B&T ranked sixth among this group of lenders with a market share of 4.5 percent. Furthermore, according to 2021 CRA aggregate data, 12 lenders reported 137 small farm loans originated or purchased in the assessment area, and 61 lenders reported 851 small business loans originated or purchased.

Community Contact

Examiners reviewed a recent contact with a representative of a local government entity in the assessment area. The contact noted the rural nature of most of Vermilion County and observed that blight is a challenge facing communities in the assessment area. The contact stated that need exists for home improvement and rural development loans. However, noting the high poverty levels in the area, the contact stated that many residents may struggle to qualify for bank loans or otherwise do not have access to the financial system.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage, small business, and small farm loans all represent credit needs in the assessment area. As noted by the community contact, need is especially pronounced among lower-income residents that may struggle to qualify for financing.

CONCLUSIONS ON PERFORMANCE CRITERIA IN DANVILLE, ILLINOIS MSA

LENDING TEST

Longview Bank demonstrated reasonable performance in the Danville MSA assessment area. Geographic Distribution and Borrower Profile performance support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Although small business lending performance was poor, reasonable home mortgage and small farm lending performance support the overall conclusion.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank's performance in low-income tracts exceeded the demographic data in 2022. Lending in moderate-income was weaker, decreasing from three loans in 2021 to no loans in 2022.

Despite lagging the demographic data, HMDA aggregate data reflects the limited lending opportunities in this assessment area, particularly in moderate-income tracts. According to HMDA aggregate data, lenders originated only 4.1 percent of aggregate loans in moderate-income tracts in 2021, well below the demographic data and comparable to Longview Bank's performance. Additionally, aggregate lending in moderate-income tracts fell further in 2022, to only 3.2 percent of overall lending. Considering these limited lending opportunities, the bank's performance under this criterion is reasonable.

Geographic Distribution of Home Mortgage Loans					
Assessment Area: Danville MSA					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low					
2021	2.8	1	1.1	70	0.7
2022	5.6	6	7.4	397	5.0
Moderate					
2021	11.4	3	3.2	330	3.3
2022	6.2	0	0.0	0	0.0
Middle					
2021	49.6	53	56.4	5,128	51.3
2022	54.4	55	67.9	4,350	54.5
Upper					
2021	36.2	37	39.4	4,472	44.7
2022	32.1	20	24.7	3,234	40.5
Not Available					
2021	0.0	0	0.0	0	0.0
2022	1.7	0	0.0	0	0.0
Totals					
2021	100.0	94	100.0	10,000	100.0
2022	100.0	81	100.0	7,981	100.0
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank did not originate any small farm loans in low- or moderate-income tracts in 2022. However, the assessment area's low- and moderate-income tracts are concentrated in Danville, and according to D&B data, fewer than 20 farms are located in these tracts. Given the limited opportunities for small farm lending in low- and moderate-income tracts in this assessment area, the bank's performance is reasonable.

Geographic Distribution of Small Farm Loans					
Assessment Area: Danville MSA					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Low					
2022	1.4	0	0.0	0	0.0
Moderate					
2022	3.4	0	0.0	0	0.0
Middle					
2022	46.6	55	55.6	8,180	55.2
Upper					
2022	48.6	44	44.4	6,627	44.8
Not Available					
2022	0.0	0	0.0	0	0.0
Totals					
2022	100.0	99	100.0	14,807	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans reflects poor dispersion throughout the assessment area. As shown in the following table, the bank did not originate any small business loans in low- or moderate-income tracts in 2022, despite the presence of nearly one quarter of assessment area businesses in these tracts.

Geographic Distribution of Small Business Loans						
Assessment Area: Danville MSA						
Tract Income Level		% of Businesses	#	%	\$(000s)	%
Low						
	2022	14.8	0	0.0	0	0.0
Moderate						
	2022	10.1	0	0.0	0	0.0
Middle						
	2022	47.1	35	68.6	3,127	49.2
Upper						
	2022	25.3	16	31.4	3,226	50.8
Not Available						
	2022	2.7	0	0.0	0	0.0
Totals						
	2022	100.0	51	100.0	6,353	100.0
<i>Source: 2022 D&B Data, Bank Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels, and farms and businesses of different sizes. Home mortgage and small farm lending performance primarily support this conclusion.

Home Mortgage Loans

The distribution of home mortgage borrowers reflects reasonable penetration among individuals of different income levels. As shown in the following table, lending to low-income borrowers significantly lagged the demographic data in both 2021 and 2022. However, as noted previously, this assessment area contains a relatively high percentage of families with incomes below the poverty line that are therefore unlikely to qualify for a traditional home mortgage loan. Lending to moderate-income borrowers was stronger, slightly below demographic data in 2021 and exceeding demographic data in 2022. As such, the bank's lending distribution reflects reasonable performance.

Distribution of Home Mortgage Loans by Borrower Income Level					
Assessment Area: Danville MSA					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low					
2021	21.7	4	4.3	144	1.4
2022	22.7	2	2.5	206	2.6
Moderate					
2021	16.8	14	14.9	702	7.0
2022	18.4	18	22.2	1,114	14.0
Middle					
2021	20.7	18	19.1	1,612	16.1
2022	18.5	16	19.8	1,239	15.5
Upper					
2021	40.8	53	56.4	6,451	64.5
2022	40.4	26	32.1	3,549	44.5
Not Available					
2021	0.0	5	5.3	1,091	10.9
2022	0.0	19	23.5	1,873	23.5
Totals					
2021	100.0	94	100.0	10,000	100.0
2022	100.0	81	100.0	7,981	100.0
<i>Source: 2015 ACS, 2020 U.S. Census, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Farm Loans

The distribution of small farm loans reflects reasonable penetration among farms of different sizes. As shown in the following table, lending to farms with revenues of \$1 million or less lagged the demographic data in 2022. However, with more than three quarters of loans by number originated to farms in this revenue category, the lending distribution reflects the bank's willingness to lend to farms of all sizes and supports reasonable performance.

Distribution of Small Farm Loans by Gross Annual Revenue Category					
Assessment Area: Danville MSA					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
≤\$1,000,000					
2022	97.7	10	76.9	756	49.0
>\$1,000,000					
2022	1.4	3	23.1	787	51.0
Revenue Not Available					
2022	0.9	0	0.0	0	0.0
Totals					
2022	100.0	13	100.0	1,543	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

Small Business Loans

The distribution of small business loans reflects excellent penetration among businesses of different sizes. As shown in the following table, all of the bank's small business loan originations in 2022 were to businesses with revenues of \$1 million or less.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Assessment Area: Danville MSA					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤\$1,000,000					
2022	79.7	16	100.0	910	100.0
>\$1,000,000					
2022	4.7	0	0.0	0	0.0
Revenue Not Available					
2022	15.6	0	0.0	0	0.0
Totals					
2022	100.0	16	100.0	910	100.0
<i>Source: 2022 D&B Data, Bank Data</i>					
<i>Due to rounding, totals may not equal 100.0%</i>					

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

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

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

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

Limited-Scope Review: A limited-scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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

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

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

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