PUBLIC DISCLOSURE

October 28, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bloomsdale Bank
Certificate Number: 9788

55 Mill Hill Road
Bloomsdale, Missouri 63627

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

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

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.

TABLE OF CONTENTS

INSTITUTION RATING 1
DESCRIPTION OF INSTITUTION 1
DESCRIPTION OF ASSESSMENT AREAS 2
SCOPE OF EVALUATION 3
CONCLUSIONS ON PERFORMANCE CRITERIA 4
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW 5
NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review 5
MSA ASSESSMENT AREA – Full-Scope Review 8
APPENDICES 13
SMALL BANK PERFORMANCE CRITERIA 13
GLOSSARY 14

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.

Bloomsdale Bank's satisfactory performance under the Lending Test supports the overall rating. The following points summarize the bank's performance.

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment areas.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes.
- The institution did not receive any CRA-related complaints since the prior evaluation performed as of November 5, 2018.

DESCRIPTION OF INSTITUTION

Bloomsdale Bank is headquartered in Bloomsdale, Missouri. The institution is wholly owned by Peoples Community Bancorporation, Inc., Bloomsdale, Missouri, a one-bank holding company. The institution received a satisfactory rating at its November 5, 2018, FDIC Performance Evaluation, based on Federal Financial Institution Examination Council (FFIEC) Interagency Small Institution Examination Procedures.

The institution has five full-service locations. The bank operates from its main office in Bloomsdale, Missouri, and operates four additional branches in the cities of Sainte Genevieve, Crystal City, Herculaneum, and Festus, Missouri. The Festus branch and ATM opened in December 2023, both of which are in a moderate-income census tract. In addition, the bank consolidated its two Sainte Genevieve branches into one location in January 2022. This change did not impact any low- or moderate-income census tracts. No merger or acquisition activities have occurred since the previous evaluation.

The bank offers traditional loan products including commercial, residential, consumer, and agricultural loans, but primarily focuses on commercial and home mortgage lending. The institution provides a variety of deposit products including checking, savings, money market

deposit accounts, and certificates of deposit. Alternative banking services include internet and mobile banking. The bank operates an ATM at each branch location except for the Crystal City branch.

As of June 30, 2024, the bank reported total assets of $344.1 million, total loans of $225.4 million, and total deposits of $314.5 million. As illustrated in the following table, the bank's primary business focus is home mortgage and commercial lending, representing 36.1 percent and 46.2 percent of the loan portfolio, respectively.

Loan Portfolio Distribution as of 06/30/2024		
Loan Category	**$(000s)**	**%**
Construction, Land Development, and Other Land Loans	17,224	7.6
Secured by Farmland	3,206	1.4
Secured by 1-4 Family Residential Properties	77,478	34.4
Secured by Multifamily (5 or more) Residential Properties	3,749	1.7
Secured by Nonfarm Nonresidential Properties	68,896	30.6
Total Real Estate Loans	**170,553**	**75.7**
Commercial and Industrial Loans	35,085	15.6
Agricultural Production and Other Loans to Farmers	612	0.3
Consumer Loans	6,025	2.7
Obligations of State and Political Subdivisions in the U.S.	0	0
Other Loans	13,108	5.8
Lease Financing Receivable (net of unearned income)	0	0
Less: Unearned Income	0	0
Total Loans	**225,383**	**100.0**
Source: Reports of Condition and Income		

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment areas.

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. Bloomsdale Bank has established two assessment areas, which include portions of both the St. Louis, Missouri-Illinois Metropolitan Statistical Area (MSA) and nonmetropolitan Missouri. The MSA Assessment Area consists of Jefferson County in the St. Louis, Missouri-Illinois MSA. The Nonmetropolitan Assessment Area consists of Sainte Genevieve County in nonmetropolitan Missouri. There have been no changes to the boundaries of the assessment areas since the previous CRA evaluation.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated November 5, 2018, to the current evaluation dated October 28, 2024. Examiners used the FFIEC Interagency Small Institution Examination Procedures to evaluate Bloomsdale Bank's CRA Performance. Both assessment areas were subject to full-scope reviews. The Nonmetropolitan Assessment Area received the most weight when drawing overall conclusions due to the higher volume of loans and deposits. Please refer to the Small Bank Performance Criteria section in the Appendices for a summary of the criteria evaluated under the Lending Test.

Activities Reviewed

Examiners considered the bank's business strategy, loan portfolio composition, and the number and dollar volume of loans originated during the evaluation period when determining which products to evaluate. As a result, examiners reviewed home mortgage and small business loans to evaluate CRA performance. Home mortgage and commercial lending remain the primary business focus; therefore, examiners gave equal weight to both products when drawing overall conclusions. Examiners did not evaluate agricultural lending, as it represents a small portion of the loan portfolio and is not emphasized in the bank's business strategy.

This evaluation considered home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA) in 2022 and 2023, and small business loans originated or purchased in 2023. Management indicated that a review of lending activity from this timeframe would yield a representative analysis of lending since the prior evaluation. The bank's home mortgage lending performance was consistent in 2022 and 2023; therefore, only 2023 HMDA data is presented for the Geographic Distribution and Borrower Profiles analyses.

For the Assessment Area Concentration analysis, examiners reviewed 178 home mortgage loans totaling $33.8 million in 2022, 125 home mortgage loans totaling $28.1 million in 2023, and 124 small business loans totaling $24.7 million in 2023. For the Geographic Distribution analysis, examiners reviewed the universe of loans inside the MSA Assessment Area, consisting of 31 home mortgage loans totaling $8.0 million and 46 small business loans totaling $8.7 million. Examiners did not evaluate the Geographic Distribution criterion in the Nonmetropolitan Assessment Area since it does not contain any low- or moderate-income census tracts. For the Borrower Profile analysis, examiners reviewed all home mortgage loans within the assessment areas (89 loans totaling $18.4 million) and a sample of 50 small business loans totaling $8.8 million. Examiners used 2020 U.S. Census data and 2023 home mortgage aggregate lending data as a comparison for home mortgage lending and 2023 D&B data as a comparison for small business lending.

Examiners analyzed lending performance by both number and dollar volume of loans. However, examiners emphasized the performance by the number of loans for the Geographic Distribution and Borrower Profile analyses, as it is generally a better indicator of the number of individuals and businesses served.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

Bloomsdale Bank demonstrated satisfactory performance under the small bank performance criteria. The bank's collective performance under all the evaluated criteria supports this conclusion. Refer to the subsequent sections for details regarding the bank's performance in each assessment area.

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 net loan-to-deposit ratio, calculated from Call Report data, averaged 67.3 percent over the 23 quarters from December 31, 2018, to June 30, 2024. The ratio ranged from a low of 52.8 percent as of March 31, 2022, to a high of 81.4 percent as of September 30, 2019. The bank's average net loan-to-deposit ratio is comparable to the prior evaluation, when it averaged 67.2 percent.

As shown in the following table, the bank's average net loan-to-deposit ratio is reasonable in comparison to a similarly situated institution's ratio. Examiners identified the comparable institution based on asset size, lending focus, branching structure, and markets served.

Loan-to-Deposit (LTD) Ratio Comparison		
Bank	**Total Assets as of 06/30/2024 ($000s)**	**Average Net LTD Ratio (%)**
Bloomsdale Bank, Bloomsdale, Missouri	**355,948**	**67.3**
Farmers and Merchants Bank of Saint Clair, Saint, Clair, Missouri	338,306	74.8
Source: Reports of Condition and Income 12/31/2018 - 06/30/2024		

Assessment Area Concentration

The bank originated a majority of home mortgage and small business loans within its assessment areas, as illustrated in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	**Number of Loans**				**Total**	**Dollar Amount of Loans**				**Total**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**	**#**	**$ (000s)**	**%**	**$ (000s)**	**%**	**$ (000s)**
Home Mortgage										
2022	142	79.8	36	20.2	178	28,233	83.6	5,550	16.4	33,783
2023	89	71.2	36	28.8	125	18,390	65.5	9,695	34.5	28,085
Subtotal	**231**	**76.2**	**72**	**23.8**	**303**	**46,623**	**75.4**	**15,245**	**24.6**	**61,868**
Small Business	102	82.3	22	17.7	124	18,980	76.7	5,759	23.3	24,739
Source: Bank Data *Due to rounding, totals may not equal 100.0%*										

Geographic Distribution
The geographic distribution of loans reflects reasonable dispersion throughout the MSA Assessment Area. Examiners focused on the percentage, by number, of loans in moderate-income census tracts within the assessment area. Examiners did not analyze geographic distribution in the Nonmetropolitan Assessment Area, as this assessment area does not contain any low- or moderate-income census tracts.

Borrower Profile
The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes. Performance is consistent in both assessment areas. Examiners focused on the percentage of home mortgage loans to low- and moderate-income individuals and the percentage of small business loans to entities with gross annual revenues of $1 million or less.

Response to Complaints
The institution has not received any CRA-related complaints since the prior CRA evaluation dated November 5, 2018; therefore, this criterion did not affect the 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.

NONMETROPOLITAN ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE NONMETROPOLITAN ASSESSMENT AREA

The Nonmetropolitan Assessment Area is comprised of Sainte Genevieve County, which is in the nonmetropolitan portion of Missouri. The main office in Bloomsdale and the Sainte Genevieve branch are located within this assessment area.

Economic and Demographic Data
According to 2020 U.S. Census data, the assessment area consists of five upper-income census tracts. There are no low- or moderate-income census tracts in the assessment area. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Nonmetropolitan Assessment Area					
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**
Geographies (Census Tracts)	5	0.0	0.0	0.0	100.0
Population by Geography	18,479	0.0	0.0	0.0	100.0
Housing Units by Geography	8,738	0.0	0.0	0.0	100.0
Owner-Occupied Units by Geography	5,868	0.0	0.0	0.0	100.0
Occupied Rental Units by Geography	1,384	0.0	0.0	0.0	100.0
Vacant Units by Geography	1,486	0.0	0.0	0.0	100.0
Businesses by Geography	2,154	0.0	0.0	0.0	100.0
Farms by Geography	220	0.0	0.0	0.0	100.0
Family Distribution by Income Level	5,212	16.2	11.6	16.2	56.1
Household Distribution by Income Level	7,252	15.6	13.6	15.3	55.6
Median Family Income Nonmetropolitan - MO		$56,957	Median Housing Value		$178,420
Families Below Poverty Level		9.2%	Median Gross Rent		$662
Source: 2020 U.S. Census and 2023 D&B Data *Due to rounding, totals may not equal 100.0%*					

The 2023 FFIEC-updated median family income ranges are used to analyze home mortgage lending under the Borrower Profile criterion. The income categories for the nonmetropolitan portion of Missouri are presented in the following table.

Nonmetropolitan Missouri Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2023 ($71,000)	<$35,500	$35,500 to <$56,800	$56,800 to <$85,200	≥$85,200
Source: FFIEC				

Competition

The Nonmetropolitan Assessment Area is a moderately competitive environment for financial services. According to the June 30, 2024, FDIC Deposit Market Share Survey, five financial institutions operate six offices throughout the assessment area. Of these institutions, Bloomsdale Bank ranked 2nd with 29.0 percent of the deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders in the assessment area. According to 2023 HMDA aggregate data, 96 lenders reported 588 home mortgage loans in the assessment area. Bloomsdale Bank ranked 2nd among these lenders with a market share of 10.9 percent.

The bank is not required to collect and report information regarding its small business loans under CRA. Therefore, examiners did not compare the bank's small business lending to aggregate lending data. However, aggregate data provides an indicator of loan demand and competition for small business lending in the assessment area. The most recent year of aggregate lending data, 2022, shows that 41 institutions reported 365 small business loans in the assessment area.

Credit Needs
Considering information from bank management and demographic and economic data, home mortgage and small business loans represent primary credit needs in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE NONMETROPOLITAN ASSESSMENT AREA

LENDING TEST

Bloomsdale Bank demonstrated reasonable performance under the small bank performance criteria in the Nonmetropolitan Assessment Area. This conclusion is based on reasonable Borrower Profile performance.

Geographic Distribution
The assessment area does not contain any low- or moderate-income census tracts; therefore, a geographic distribution analysis was not preformed since it would not result in meaningful conclusions.

Borrower Profile
The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes in the assessment area. This conclusion is supported by reasonable home mortgage and small business lending performance.

Home Mortgage
The distribution of borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income individuals. As shown in the following table, the percentage of loans to low- and moderate-income individuals is consistent with comparable aggregate lending data.

Distribution of Home Mortgage Loans by Borrower Income Level - Nonmetropolitan Assessment Area						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low	16.2	5.6	2	3.4	117	1.1
Moderate	11.6	15.1	10	17.2	1,068	10.3
Middle	16.2	21.0	9	15.5	1,167	11.3
Upper	56.1	41.5	30	51.7	7,348	71.0
Not Available	0.0	16.8	7	12.1	651	6.3
Totals	**100.0**	**100.0**	**58**	**100.0**	**10,352**	**100.0**
Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data						
Due to rounding, totals may not equal 100.0%						

Small Business
The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes when considering performance context. As indicated in the following table, the percentage of loans originated to businesses with gross annual revenues of $1 million or less is significantly below

comparable demographic data. However, small business aggregate lending data for 2021 and 2022 indicates that 57.5 percent and 51.5 percent of all small business loans, respectively, were to businesses with gross annual revenues of $1 million or less. Demographic data shows that in 2021 and 2022, 83.6 percent and 88.7 percent of businesses, respectively, had gross annual revenues of $1 million or less. This data demonstrates that loan demand is consistently notably less than business demographic data. Additionally, 2022 aggregate lending data shows that the top seven small business lenders in the assessment area were credit card banks, indicating that many small businesses rely on credit cards instead of traditional financing to support their operations. Considering this additional information and the level of demand, the performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category - Nonmetropolitan Assessment Area					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	90.2	22	75.9	3,397	63.1
>$1,000,000	3.6	7	24.1	1,990	36.9
Revenue Not Available	6.2	0	0.0	0	0.0
Total	**100.0**	**29**	**100.0**	**5,387**	**100.0**
Source: 2023 D&B Data, Bank Data. *Due to rounding, totals may not equal 100.0%*					

MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE MSA ASSESSMENT AREA

The MSA Assessment Area is comprised of Jefferson County, which is in the St. Louis, Missouri-Illinois MSA. The Festus, Crystal City, and Herculaneum offices are within this assessment area.

Economic and Demographic Data

According to 2020 U.S. Census data, the assessment area consists of 10 moderate-, 35 middle-, and 4 upper-income census tracts. There are no low-income census tracts in the assessment area. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the MSA Assessment Area					
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**
Geographies (Census Tracts)	49	0.0	20.4	71.4	8.2
Population by Geography	226,739	0.0	21.2	71.6	7.2
Housing Units by Geography	91,528	0.0	21.9	71.3	6.8
Owner-Occupied Units by Geography	67,585	0.0	19.3	72.7	8.0
Occupied Rental Units by Geography	17,393	0.0	30.2	66.8	3.1
Vacant Units by Geography	6,550	0.0	26.5	68.8	4.6
Businesses by Geography	25,015	0.0	19.5	72.7	7.9
Farms by Geography	1,065	0.0	19.2	71.5	9.2
Family Distribution by Income Level	61,349	20.3	21.3	25.1	33.3
Household Distribution by Income Level	84,978	20.4	17.3	20.0	42.3
Median Family Income - St. Louis, MO-IL MSA		$84,758	Median Housing Value		$173,481
Families Below Poverty Level		6.6%	Median Gross Rent		$856
Source: 2020 U.S. Census and 2023 D&B Data *Due to rounding, totals may not equal 100.0%*					

The 2023 FFIEC-updated median family income ranges are used to analyze home mortgage lending under the Borrower Profile criterion. The income categories for the St. Louis, Missouri-Illinois MSA are presented in the following table.

St. Louis, Missouri-Illinois MSA Median Family Income Ranges				
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
2023 ($100,800)	<$50,400	$50,400 to <$80,640	$80,640 to <$120,960	≥$120,960
Source: FFIEC				

Competition

The MSA Assessment Area is a highly competitive environment for financial services. According to the June 30, 2024, FDIC Deposit Market Share Survey, 22 financial institutions operate 43 offices throughout the assessment area. Of these institutions, Bloomsdale Bank ranked 9th with 3.0 percent of the deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders in the assessment area. According to 2023 HMDA aggregate data, 289 lenders reported 9,371 home mortgage loans in the assessment area. Bloomsdale Bank ranked 56th among these lenders with a market share of less than one percent.

The bank is not required to collect and report information regarding its small business loans. Therefore, examiners did not compare the bank's small business lending to aggregate lending date. However, aggregate data provides an indicator of loan demand and competition for small business lending in the assessment area. The most recent year of aggregate lending data (2022) shows that 82 institutions reported 4,504 small business loans in the assessment area.

Community Contact
Examiners conduct community contact interviews with third parties active in the assessment area to assist in identifying credit needs and opportunities. This information helps determine whether local financial institutions are responsive to these needs. Examiners reviewed a recent community contact interview that was conducted with an individual from an economic development organization that focuses on the St. Louis, Missouri-Illinois MSA.

The contact identified small business lending as a primary credit need in the area due to a growing business sector from start-up companies. However, the contact stated the interest rate environment has lessened the demand in 2023 and 2024 in comparison to prior years. Additionally, the contact emphasized a lack of affordable housing, especially with the increasing cost of housing. Overall, the contact indicated that local financial institutions are meeting the credit needs of the area and are actively involved within the community.

Credit Needs
Considering information from bank management, the community contact, and demographic and economic data, home mortgage and small business loans represent primary credit needs in the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MSA ASSESSMENT AREA

LENDING TEST

Bloomsdale Bank demonstrated reasonable performance under the small bank performance criteria in the MSA Assessment Area. This conclusion is based on reasonable Geographic Distribution and Borrower Profile performance.

Geographic Distribution
Overall, the geographic distribution of loans reflects reasonable dispersion throughout the assessment area. Reasonable performance in both loan categories supports this conclusion.

Home Mortgage
The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank's performance exceeds both aggregate performance and comparable demographic data in the moderate-income census tracts.

Geographic Distribution of Home Mortgage Loans - MSA Assessment Area						
Tract Income Level	**% of Owner-Occupied Housing Units**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Moderate	19.3	19.1	9	29.0	1,803	22.4
Middle	72.7	72.0	20	64.5	6,018	74.9
Upper	8.0	9.0	2	6.5	217	2.7
Totals	**100.0**	**100.0**	**31**	**100.0**	**8,038**	**100.0**

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%

Small Business

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As shown in the following table, the bank's performance is consistent with the comparable demographic data in the moderate-income census tracts.

Geographic Distribution of Small Business Loans - MSA Assessment Area					
Tract Income Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
Moderate	19.5	7	15.2	1,718	19.7
Middle	72.7	38	82.6	6,940	79.7
Upper	7.9	1	2.2	50	0.6
Totals	**100.0**	**46**	**100.0**	**8,708**	**100.0**

Source: 2023 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%

Borrower Profile

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes in the assessment area. This conclusion is supported by reasonable home mortgage and small business lending performance.

Home Mortgage

As shown in the following table, lending to low- and moderate-income borrowers lags both aggregate lending data and comparable demographic data. However, the data is somewhat skewed due to a high percentage of the bank's loans that were reported in the Not Available income category. Further, the percentage of the bank's loans reported in this category is nearly double the percentage of aggregate loan data reported as Not Available. Examiners also considered relevant performance context factors. The community contact and bank management both mentioned the lack of affordable homes in the assessment area and increased housing prices. These variables make it more challenging for low- or moderate-income borrowers to meet down payment requirements to purchase a home. Considering these factors, the distribution of borrowers reflects reasonable penetration among low- and moderate-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level - MSA Assessment Area						
Borrower Income Level	**% of Families**	**Aggregate Performance % of #**	**#**	**%**	**$(000s)**	**%**
Low	20.3	11.2	2	6.5	251	3.1
Moderate	21.3	25.7	4	12.9	743	9.2
Middle	25.1	25.1	4	12.9	690	8.6
Upper	33.3	21.8	12	38.7	4,409	54.8
Not Available	0.0	16.2	9	29.0	1,946	24.2
Totals	**100.0**	**100.0**	**31**	**100.0**	**8,038**	**100.0**

Source: 2020 U.S. Census; Bank Data, 2023 HMDA Aggregate Data
Due to rounding, totals may not equal 100.0%

Small Business

The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes when considering performance context. As indicated in the following table, the percentage of loans originated to businesses with gross annual revenues of $1 million or less is significantly below comparable demographic data. The small business aggregate lending data for 2021 and 2022 indicate that 57.2 percent and 59.6 percent of all small business loans, respectively, were to businesses with gross annual revenues of $1 million or less. Demographic data shows that in 2021 and 2022, 88.2 percent and 92.5 percent of businesses, respectively, had gross annual revenues of $1 million or less. This data demonstrates that loan demand is consistently notably less than business demographic data. Additionally, 2022 aggregate lending data indicates that the top seven small business lenders in the assessment area were credit card banks, indicating that many small businesses rely on credit cards instead of traditional financing to support their operations. Lastly, the community contact stated that the demand for small business loans has decreased due to the interest rate environment and that financial institutions are meeting small business lending needs. Considering this additional information and the level of demand, the bank's performance is reasonable.

Distribution of Small Business Loans by Gross Annual Revenue Category - MSA Assessment Area					
Gross Revenue Level	**% of Businesses**	**#**	**%**	**$(000s)**	**%**
<=$1,000,000	93.3	14	66.7	1,430	42.4
>$1,000,000	1.8	7	33.3	1,943	57.6
Revenue Not Available	4.9	0	0.0	0	0.0
Totals	**100.0**	**21**	**100.0**	**3,373**	**100.0**

Source: 2023 D&B Data; Bank Data
Due to rounding, totals may not equal 100.0%

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 **Nonmetropolitan):** 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.