

PUBLIC DISCLOSURE

December 12, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Carrollton Bank
Certificate Number: 12383

315 6th Street
Carrollton, Illinois 62016

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.

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	15
MULTI-STATE METROPOLITAN AREA.....	16
DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE ST. LOUIS, MO-IL MSA ...	16
SCOPE OF EVALUATION – ST. LOUIS, MO-IL MSA	19
CONCLUSIONS ON PERFORMANCE CRITERIA IN ST. LOUIS, MO-IL MSA.....	20
ILLINOIS	33
DESCRIPTION OF INSTITUTION’S OPERATIONS IN ILLINOIS.....	33
SCOPE OF EVALUATION – ILLINOIS	33
CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS	34
SPRINGFIELD, IL MSA – Full-Scope Review.....	36
ILLINOIS NON-MSA – Full-Scope Review	51
APPENDICES	64
LARGE BANK PERFORMANCE CRITERIA.....	64
SCOPE OF EVALUATION.....	66
SUMMARY OF RATINGS FOR RATED AREAS	66
GLOSSARY	67

INSTITUTION RATING

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

An institution in this group has an outstanding 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 following table indicates the performance level of Carrollton Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory	-	-	-
Low Satisfactory	-	-	-
Needs to Improve	-	-	-
Substantial Noncompliance	-	-	-
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated Outstanding.

- Lending levels reflect excellent responsiveness to assessment area credit needs.
- A substantial majority of loans are originated within the bank's assessment areas.
- The geographic distribution of loans reflects good penetration throughout the overall assessment area.
- The distribution of loans to borrowers reflects, given the product lines offered by the institution, excellent penetration among retail customers of different income levels and business customers of different sizes.
- The bank exhibits an excellent record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound business practices.
- The bank is a leader in making community development loans.
- The bank makes extensive use of innovative and flexible lending practices in a safe and sound manner to address the credit needs of low- or moderate-income individuals or geographies.

The Investment Test is rated Outstanding.

- The institution has an excellent level of qualified community development investments and grants.
- The institution exhibits excellent responsiveness to credit and community development needs.
- The institution makes extensive use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated Outstanding.

- Delivery systems are reasonably accessible to essentially all portions of the bank's assessment areas.
- To the extent changes that have been made within its operations, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services, including business hours, do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies or individuals.
- The institution is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

Background

Carrollton Bank is a \$3.4 billion commercial bank, and a wholly owned subsidiary of CBX Corporation, a one-bank holding company. Both the bank and holding company are headquartered in Carrollton, Illinois. The institution received an "Outstanding" rating at its previous FDIC Performance Evaluation, dated October 18, 2021, utilizing the Interagency Large Institution CRA Examination Procedures.

Operations

Carrollton Bank operates 11 full-service branch offices throughout southeast Missouri and southwest Illinois. Most branches operate in the St. Louis MO-IL Metropolitan Statistical Area (MSA). The main office is in Carrollton (Greene County), which is a Non-Metropolitan Statistical Area of Illinois (IL Non-MSA). There is an office in Springfield, IL (Sangamon County), which is part of the Springfield, IL MSA. Additionally, there is one mortgage loan production office (LPO) located in Creve Coeur, MO. No branches were opened or closed, and no merger or acquisition activities occurred during this review period; however, the bank opened a drive-up facility with an ATM in Edwardsville, IL in 2024.

Carrollton Bank's business focus remains on commercial and residential home mortgage lending. Commercial credit products include term and capital improvement loans, commercial real estate loans, and lines of credit. Agricultural loan offerings include operating lines of credit, equipment loans, and farm real estate loans. The bank offers an array of home mortgage lending products and

other consumer-purpose loans as well. The bank offers a wide range of deposit products and services for both commercial and retail customers. Retail deposit products include low-cost checking, savings, and money market accounts, as well as certificates of deposit. Alternative banking services include online banking and bill pay, mobile banking, and access to automated teller machines (ATM).

Ability and Capacity

Carrollton Bank reported total assets of \$3.4 billion as of September 30, 2024, total loans of \$2.8 billion, and total securities of \$240.8 million. These figures represent growth in both assets and loans since the previous CRA evaluation. Total assets have increased \$421.6 million, or 13.9 percent. Total loans and leases have increased \$849.5 million, or 44.2 percent; however, the composition of the loan portfolio reflects limited changes. Additional details regarding the loan portfolio are included in the following table.

Loan Portfolio Distribution as of 9/30/2024		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	152,270	5.5
Secured by Farmland	80,670	2.9
Secured by 1-4 Family Residential Properties	516,983	18.7
Secured by Multi-family (5 or more) Residential Properties	91,677	3.3
Secured by Non-farm Non-Residential Properties	847,011	30.6
Total Real Estate Loans	1,688,611	61.0
Commercial and Industrial Loans	968,732	35.0
Agricultural Production and Other Loans to Farmers	95,312	3.4
Consumer	4,643	0.2
Other Loans	12,281	0.4
Total Loans	2,769,579	100.0
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial or other legal impediments that hinder the bank's ability to provide credit within its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its performance will be evaluated. Carrollton Bank designated three separate assessment areas. These assessment areas do not arbitrarily exclude any low- or moderate-income census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations.

The following table presents a brief description of each assessment area, including the respective counties, number of census tracts, and number of branches. A more detailed discussion of each assessment area, including economic and demographic data, competition, and community contacts, is detailed in the separate MSA and non-MSA sections of this evaluation.

Composition of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
St. Louis, MO-IL MSA	St. Charles, St. Louis, and Jefferson Counties, MO, City of St. Louis, MO, Jersey, Madison, and St. Clair Counties, IL	611	9
Springfield, IL MSA	Sangamon County	54	1
IL Non-MSA	Greene County	5	1
<i>Source: Bank Records; CT = Census Tract</i>			

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Large Institution Examinations Procedures to evaluate Carrollton Bank's performance covering the period from the prior evaluation dated October 18, 2021, to the current evaluation dated December 12, 2024. These procedures include three tests: the Lending Test, the Investment Test, and the Service Test. Refer to the glossary for definitions and terms used in this evaluation.

Carrollton Bank is subject to the Interstate Banking and Branching Efficiency Act of 1994 (IBBEA) because it is an interstate bank that operates offices in Illinois and Missouri. In accordance with IBBEA guidelines, the evaluation includes an overall rating, a multi-state MSA rating, and a State of Illinois rating. Examiners did not assign a separate rating for the State of Missouri, as the bank does not operate offices in Missouri beyond the designated boundaries of the St. Louis, MO-IL Multi-State MSA. In the State of Illinois, the bank operates two offices outside the St. Louis, MO-IL MSA, which include Sangamon County (Springfield, IL MSA) and Greene County (IL Non-MSA).

The overall CRA rating is more heavily influenced by the bank's performance in the St. Louis, MO-IL MSA as this is where a majority of lending and deposit-taking activities take place. For the State of Illinois' rating, performance in the Springfield, IL MSA and in the IL Non-MSA County, IL assessment areas are weighted evenly as deposit levels and lending volume was similar in both assessment areas during the current evaluation period. All assessment areas received full-scope reviews.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. Because the number and dollar volume of originations for home mortgage and small business loans are similar for the evaluation period, both product lines received equal weight in this evaluation. In addition, examiners considered small farm loans in this evaluation; however, these loans received less weight in the overall conclusions due to the lower volume of originations when compared to the primary product lines. Consumer lending was not reviewed for this evaluation as it is not a major product by dollar volume in the loan portfolio (less than one percent) and is not a lending focus of the bank.

This evaluation considered all home mortgage loans reported on the bank's 2021, 2022, and 2023 Home Mortgage Disclosure Act (HMDA) Loan Application Registers. Carrollton Bank originated or purchased 3,662 HMDA loans totaling \$808.4 million in 2021; 2,569 loans totaling \$494.3 million in 2022; and 1,776 loans totaling \$382.5 million in 2023. This evaluation presents information for 2022 and 2023. The bank's home mortgage lending performance is measured against aggregate lending data as well as demographic data obtained from the 2020 U.S. Census. Examiners placed more weight on comparisons to aggregate data as it provides a more accurate assessment of lending opportunities within the assessment areas.

Small business and small farm loan data collected pursuant to the CRA data collection reporting requirements in 2021, 2022, and 2023 were also reviewed. Small business loan data included 4,340 loan originations totaling \$583.8 million in 2021, 1,731 loan originations totaling \$452.0 million in 2022, and 1,674 loan originations totaling \$422.6 million in 2023. Small farm loan data included 419 loan originations totaling \$64.7 million in 2021, 444 originations totaling \$64.2 million in 2022, and 393 originations totaling \$57.9 million in 2023. This evaluation presents information for 2022 and 2023. The bank's lending performance for both loan products is measured against D&B data and aggregate small business and small farm loan data, respectively. This information provides insights into lending opportunities within the assessment areas.

While examiners presented the number and dollar volume of loans, the performance by number of loans is emphasized because it is a better indicator of the number of individuals, businesses, and farms served.

Examiners also reviewed and considered community development loans, qualified investments, and community development services initiated or maintained by the bank since the previous CRA performance evaluation dated October 18, 2021, through December 12, 2024, in this evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

An overall Outstanding rating is assigned under the Lending Test.

The Lending Test rating was determined by evaluating the bank's lending activity, assessment area concentration, geographic distribution, borrowers' profile, responsiveness to credit needs of highly economically disadvantaged geographies and families, community development lending, and innovative and flexible lending practices. Of these factors, examiners placed more weight on the geographic distribution, borrower profile, and community development lending criterion. These criteria measure the bank's effectiveness at meeting the credit needs in low- and moderate-income neighborhoods, individuals, small businesses, and small farms.

Lending Activity

Lending levels reflect excellent responsiveness to the assessment areas' credit needs. This conclusion is supported by the bank's excellent responsiveness in the St. Louis, MO-IL MSA

assessment area, and good responsiveness in the other assessment areas. Carrollton Bank has demonstrated strong home mortgage and small business performance throughout the combined assessment areas and has continued to support community development activities in each area. The bank has also continued to offer flexible lending programs and deposit accounts that are designed to benefit low- and moderate-income individuals and geographies. Carrollton Bank has continued its collaboration with a low-income designated credit union that has a mission to serve low- and moderate-income populations in St. Louis City and County, which are both located in the bank's primary market area. A complete discussion of the bank's performance under this criterion is located in the corresponding assessment area sections of this evaluation.

Assessment Area Concentration

Carrollton Bank originated a substantial majority of loans within its assessment areas. The percentage of loans, by number and by dollar, made within the overall assessment area was generally consistent among all three product lines, as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$(000s)	%	\$(000s)	%	
Home Mortgage										
2021	3,240	88.5	422	11.5	3,662	689,647	85.3	118,771	14.7	808,418
2022	2,269	88.3	300	11.7	2,569	415,647	84.1	78,615	15.9	494,262
2023	1,553	87.4	223	12.6	1,776	313,670	82.0	68,788	18.0	382,458
Subtotal	7,062	88.2	945	11.8	8,007	1,418,964	84.2	266,174	15.8	1,685,138
Small Business										
2021	3,729	85.9	611	14.1	4,340	498,807	85.4	84,973	14.6	583,780
2022	1,473	85.1	258	14.9	1,731	370,967	82.1	81,075	17.9	452,042
2023	1,442	86.1	232	13.9	1,674	344,463	81.5	78,134	18.5	422,597
Subtotal	6,644	85.8	1,101	14.2	7,745	1,214,237	83.3	244,182	16.7	1,458,419
Small Farm										
2021	311	74.2	108	25.8	419	46,493	71.9	18,160	28.1	64,653
2022	342	77.0	102	23.0	444	49,530	77.2	14,642	22.8	64,172
2023	302	76.8	91	23.2	393	42,684	73.7	15,199	26.3	57,883
Subtotal	955	76.0	301	24.0	1,256	138,707	74.3	48,001	25.7	186,708
Total	14,661	86.2	2,347	13.8	17,008	2,771,908	83.2	558,357	16.8	3,330,265
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the overall assessment area. This conclusion is primarily derived by the bank's excellent geographic distribution of home

mortgage loans in the St. Louis, MO-IL MSA assessment area. A complete discussion of the bank's performance for this criterion is located in the separate assessment area sections of this evaluation.

Borrower Profile

The distribution of loans to borrowers reflects, given the product lines offered by the institution, excellent penetration among individuals of different income levels and business and farm operations of different sizes. This conclusion is supported by excellent borrower distributions in the St. Louis, MO-IL MSA and Illinois Non-MSA assessment areas. Please refer to the separate assessment area sections of this evaluation for further discussion of the bank's performance under this criterion.

Innovative or Flexible Lending Practices

Carrollton Bank makes extensive use of innovative and/or flexible lending practices to serve assessment area credit needs. These practices include products offered through federal and state loan programs, as well as internally developed loan products and collaborations with organizations throughout the communities in the area. The following table provides a summary of the bank's flexible lending activity since the previous evaluation.

Innovative or Flexible Lending Programs										
Type of Program	2021		2022		2023		2024		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Credit Builder Loan Program	16	9	88	56	100	59	61	38	265	162
Farmer Mac I	8	4,151	17	11,781	1	626	3	765	29	17,323
Farmer Mac II	1	495	1	669	7	1,304	7	2,440	16	4,908
FHA	45	6,844	193	35,206	123	21,228	57	9,865	418	73,143
Illinois Linked Deposit Lending	2	184	14	1,946	58	10,141	14	4,234	88	16,505
ITIN Lending	0	0	0	0	0	0	34	3,629	34	3,629
USDA	3	198	7	991	8	1,250	4	562	22	3,001
VA	33	9,555	106	29,766	87	25,727	23	7,371	249	72,419
Totals	108	21,436	426	80,415	384	60,335	203	28,904	1,121	191,090
<i>Source: Bank Records; Table includes loans made outside of the bank's assessment areas.</i>										

A description of the bank's flexible lending programs is as follows:

- **Credit Builder Loan Program** – The bank developed this loan program that can be used to establish or rebuild credit. The loan amount ranges from \$500 to \$2,500 with terms ranging from 12 to 24 months. The loan proceeds are deposited in a Carrollton Bank certificate of deposit, which serves as collateral for the loan and is returned when the loan is paid off. The bank runs a credit report at the loan's inception to educate the borrower on the borrower's current credit standing, although the credit score is not used to make the loan decision.

- **Farmer Mac I** – The bank offers agricultural loans through Farmer Mac. These loans provide access to and reduce the cost of capital for the benefit of agriculture and rural communities.
- **Farmer Mac 2** – Carrollton Bank offers USDA Guaranteed Loan Purchase solution, also known as “Farmer Mac 2.” This program is a competitive secondary market for USDA guaranteed loans. Again, these loans provide access to and reduce the cost of capital for the benefit of agriculture and rural communities.
- **Federal Housing Administration (FHA)** – The bank offers various FHA loan products, with flexible underwriting guidelines and down payments as low as 3.5 percent. The FHA guarantees the loans made through this program by participating lenders.
- **Illinois Linked Deposit Lending** – The Illinois Treasurer’s Office partners with financial institutions to fill the need for deposits that satisfy specific financing requirements. This program provides capital to financial institutions for the purpose of providing low interest loans to qualified borrowers in Illinois.
- **ITIN Lending** – Individual Taxpayer Identification Number (ITIN) is a number issued by the Internal Revenue Service to individuals who do not have, and are not eligible to obtain, a social security number (SSN), but are still required to file an income tax return. The bank offers this loan product to allow those with an ITIN to purchase a home, with no SSN required.
- **United States Department of Agriculture Rural Housing (USDA Rural)** – This program assists approved lenders in providing low- and moderate-income households the opportunity to own dwellings as their primary residence in eligible rural areas. The program provides a 90 percent loan note guarantee to approved lenders in order to reduce the risk of extending 100 percent loan-to-value loans to eligible rural homebuyers.
- **United States Department of Veteran’s Affairs (VA)** – This mortgage loan program was established by the VA to help veterans, and their families obtain home financing. The VA insures the loans made through this program by participating lenders. The bank offers VA loans, which have no private mortgage insurance and provide up to 100 percent financing.
- Additionally, the bank uses a variety of down-payment assistance programs. Throughout the review period, Carrollton Bank utilized \$3.4 million through 17 different down-payment assistance programs to assist 499 low- and moderate-income borrowers in home ownership. The majority of the down payment assistance came from the Federal Home Loan Bank of Chicago’s Down Payment Plus (DPP) Program. The bank utilized \$1.8 million in DPP funds to assist 243 low- and moderate-income borrowers qualify for homeownership. Additionally, programs offered through the Illinois Housing Development Authority (IHDA) and the Missouri Housing Development Corporation (MHCD) resulted in approximately \$1.3 million in down-payment assistance to 180 low- and moderate-income borrowers.

A complete discussion of the bank’s performance under this criterion is located in the separate assessment area sections of this evaluation.

Community Development Loans

Carrollton Bank is a leader in making community development loans. For this conclusion, examiners placed more weight on performance in the St. Louis, MO-IL MSA, which is where the bank has its largest presence. For the current evaluation period, the bank originated 291 community development loans totaling \$550.0 million, which represents 19.9 percent of the bank's total loans as of September 30, 2024. At the last evaluation, the bank made 495 community development loans totaling \$617.1 million. The decrease in community development lending is largely attributed to the origination of a significant volume of Paycheck Protection Program (PPP) loans during the previous evaluation. The bank continues to demonstrate their strategic community development program and commitment to meeting the needs of its assessment areas.

The institution's level of community development lending was compared to six other financial institutions that operate in the bank's assessment areas and evaluated under the CRA during the current review period. The similarly situated institutions reviewed had total assets ranging from \$2.4 billion to \$5.7 billion, and a community development loan-to-total loan ratio ranging from 5.5 percent to 14.2 percent. Carrollton Bank's ratio of 19.9 percent is the highest among the institutions.

The following two tables summarize the bank's community development lending activity since the last evaluation. The first table summarizes the bank's community development lending activity by assessment area and purpose, while the second table summarizes the bank's activity by year and purpose.

As indicated in the tables, Carrollton bank originated 48 community development loans totaling \$123.7 million that benefited the broader, statewide area that includes the bank's assessment areas. Because the bank has demonstrated responsiveness to the needs of its individual assessment areas, it also receives credit for the activities in the broader areas in this evaluation, which enhances the bank's overall performance under the Lending Test. A complete discussion of the bank's performance under this criterion is located in the separate assessment area sections of this evaluation.

Community Development Lending by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Illinois	13	22,449	3	1,034	2	25,024	14	65,679	32	114,186
St. Louis, MO-IL MSA	67	33,110	38	68,920	51	88,382	55	121,748	211	312,160
Regional Activities	29	50,114	0	0	10	28,759	9	44,804	48	123,677
Total	109	105,673	41	69,954	63	142,165	78	232,231	291	550,023
<i>Source: Bank Data</i>										

Community Development Lending Activity Year										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (10/19/2021 – 12/31/2021)	6	4,615	3	7,000	1	1,800	8	20,667	18	34,082
2022	42	40,708	8	12,631	14	27,680	26	72,029	90	153,048
2023	35	43,058	13	18,955	19	26,827	26	86,297	93	175,137
YTD 2024	26	17,292	17	31,368	29	85,858	18	53,238	90	187,756
Total	109	105,673	41	69,954	63	142,165	78	232,231	291	550,023
<i>Source: Bank Data</i>										

INVESTMENT TEST

An overall Outstanding rating is assigned under the Investment Test. This conclusion was determined by evaluating the bank's investment and grant activity, its responsiveness to credit and community development needs, and use of innovative and complex investments to support community development initiatives.

Investment and Grant Activity

Carrollton Bank has an excellent level of qualified community development investments and grants in its overall assessment area. As detailed in the following table, the bank made or held 582 qualified investments, grants, and donations totaling \$43.7 million during the current evaluation period. The dollar amount of qualified investments represented 1.3 percent of the bank's total assets and 18.2 percent of the bank's total investment portfolio as of September 30, 2024. This is an increase, by dollar amount, from the previous evaluation when the bank made or held 630 qualified investments, grants, and donations totaling \$33.4 million, representing 1.1 percent of the bank's total assets and 14.4 percent of the bank's total investment portfolio.

The institution's level of community development investments was compared to six similarly situated financial institutions that were previously mentioned. These institutions had total qualified investments-to-total asset ratios ranging from a low of 0.2 percent to a high of 3.4 percent and total qualified investments-to-total securities ratios ranging from a low of 0.9 percent to a high of 24.9 percent. Carrollton Bank's ratios of 1.3 percent and 18.2 percent, respectively, compared favorably to these institutions.

The following tables illustrate Carrollton Bank's qualified investment activity by year and purpose and by assessment area. Further discussion of the bank's qualified investments can be found in the separate assessment area sections of this evaluation.

Community Development Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
State of Illinois	12	9,467	108	1,125	3	30	0	0	123	10,622
St. Louis, MO-IL MSA	51	23,887	377	5,438	17	778	8	407	453	30,510
Regional Activities	0	0	4	895	2	1,690	0	0	6	2,585
Total	63	33,354	489	7,458	22	2,498	8	407	582	43,717
Source: Bank Data										

Community Development Qualified Investments Activity Year										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	20	19,996	6	2,135	2	1,251	0	0	28	23,382
2021 (10/19/21 – 12/31/2021)	3	2	26	20	2	30	0	0	31	52
2022	11	2,058	132	148	5	1,003	5	401	153	3,610
2023	13	1,224	172	2,115	7	99	1	1	193	3,439
YTD 2024	16	10,074	153	3,040	6	115	2	5	177	13,234
Total	63	33,354	489	7,458	22	2,498	8	407	582	43,717
Source: Bank Data										

Responsiveness to Credit and Community Development Needs

The institution exhibits excellent responsiveness to credit and community economic development needs. Investments have been purchased and maintained with community development purposes pertinent to the needs of the assessment areas. The bank's CRA team directs activities to meet the specialized needs of low- and moderate-income areas and individuals.

Community Development Initiatives

Carrollton Bank makes extensive use of innovative and complex investments to support community development initiatives, specifically as it relates to its investment in the St. Louis Community Credit Union (SLCCU), a Community Development Financial Institution (CDFI), and a low-income designated credit union. The institution has taken a leadership role in developing and furthering this collaboration, which is seen as innovative due to the rarity of partnerships between for-profit financial institutions and not-for-profit credit unions. These activities are particularly responsive to the credit and community development needs of the St. Louis market, which is where a majority of the bank's operations are conducted. Additionally, the bank has continued its collaboration with Southern Illinois University-Edwardsville (SIUE) in an effort to create an impactful community development program in East St. Louis. This investment in the SIUE East St. Louis Center involves supporting various programs, including a workforce development program and financial literacy classes through the Metro-East Accelerated Training and Career Hub Program (MATCH) and Charter High School.

Both SLCCU and SIUE investments are considered complex because Carrollton Bank has invested extensive resources into each partnership. Senior management is involved in leadership positions to facilitate the structure of these complex investments that involve working with numerous stakeholders including non-profit organizations, private investors, and local government agencies. This type of expertise is not provided by typical investors. In addition, the bank makes many of these investments in conjunction with community development loans and services that often include financial education. Carrollton Bank's partnership with SLCCU has led the way for further investment by other entities in the community. Additional details about qualified investments, including tables breaking the investments down by number, dollar amount, and type, are included in subsequent sections of this evaluation.

SERVICE TEST

An overall assessment of Outstanding is assigned under the Service Test. This conclusion was determined by evaluating the accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting the assessment area needs, and community development services. This conclusion is supported by excellent performance in the St. Louis MSA, which is the most heavily weighted assessment area. Performance in the remaining assessment areas was favorable and further supports this conclusion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment areas. The bank operates 11 full-service bank offices and one loan production office in the combined assessment area. During the review period, the bank opened a drive-up facility with an ATM in Edwardsville, IL in a middle-income tract. The table below details the locations of the full-service branches and ATMs by the income category of the census tracts. Carrollton Bank does not have any branches in low-income census tracts and has one office (St. Charles) in a moderate-income tract.

While the distribution of the bank's offices and ATMs does not compare favorably to population demographics in the low- and moderate-income census tracts, the bank continues to offer a variety of alternative delivery systems that increase the availability of its loan and deposit products. Most of these delivery systems utilize technology to provide customers with 24-hour access to customer accounts and product information. The bank offers an internet and mobile banking service to pay bills and transfer funds. The bank is also a member of the Money PASS ATM network that provides customers with a broad base of surcharge-free ATM locations, including in low- and moderate-income census tracts throughout the area.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	83	12.4	203,623	7.6	0	0.0	0	0.0
Moderate	145	21.6	502,484	18.7	1	9.1	1	8.3
Middle	235	35.1	1,028,494	38.2	6	54.5	7	58.4
Upper	200	29.9	946,568	35.2	4	36.4	4	33.3
NA	7	1.0	9,634	0.3	0	0.0	0	0.0
Totals	670	100.0	2,690,803	100.0	11	100.0	12	100.0
<i>Sources: 2020 U.S. Census & Bank Data Due to rounding, totals may not equal 100.0%</i>								

As previously mentioned, Carrollton Bank has continued its collaborations with SLCCU and SIUE, which have both improved the accessibility of its delivery systems, particularly to low- and moderate-income individuals and geographies in the St. Louis, MO-IL assessment area. Additionally, Carrollton Bank continues to operate a full-service branch in Clayton, MO with bilingual employees that speak Spanish and Mandarin. Although the Clayton, MO branch is in an upper-income tract, it is centrally located in St. Louis County, which makes it more accessible to low- and moderate-income people throughout St. Louis County and parts of St. Louis City.

The bank has been successful in providing products and services for low- and moderate-income individuals and in geographies despite the lack of branches in these tracts. Several of the bank's locations are in close proximity to low- and moderate-income geographies and management has made efforts to increase accessibility in these areas. For example, Carrollton Bank currently has leased space in two real estate offices where their mortgage loan officers meet with potential clients by appointment to discuss home financing options. Both offices are located in low-income tracts and are intended to increase access in these geographies. Additionally, bank management provided information demonstrating the use of alternative delivery systems by customers utilizing some of the programs created to assist low- and moderate-income individuals. Many of the customers have income low- and moderate- income levels and there is a dispersion of residents throughout all parts of the bank's combined assessment area, including low- and moderate-income geographies.

Changes in Branch Locations

To the extent changes have been made, the institution's opening of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals. Carrollton Bank opened a drive-up facility with an ATM in Edwardsville, IL in a middle-income tract. No other branches were opened or closed during the review period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income census tracts and/or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Carrollton Bank offers a wide variety of loan and deposit products, which are available at all of the full-service offices throughout the assessment area. The bank offers loan and deposit products and services targeting low- and moderate-income borrowers, small businesses, and small farms. Although not specifically targeted toward low- or moderate-income individuals, Carrollton Bank continues to offer a Basic Banking account, which received Bank-On National Certification in 2018. The account is aimed to promote responsible account management for individuals that were previously unable to open or maintain a checking account. Fees are not assessed in the unlikely event of an overdraft on this checkless account; rather, additional education is provided, and arrangements are made to remedy the overdraft.

Additionally, a Totally Free Checking account is offered upon completion of the bank's Get Checking education program to individuals who would otherwise not be able to establish a checking account due to adverse account records with other institutions. Carrollton Bank also offers loan products including Credit Builder loans and secured credit cards to assist with the establishment or rebuilding of credit.

All of these efforts have resulted in the bank providing products and services in low- and moderate-income geographies and to low- and moderate-income borrowers, despite the lack of branches in those areas. The SLCCU collaboration has been particularly impactful in meeting the needs of low- and moderate-income individuals in the City of St. Louis and St. Louis County, which is where a majority of the low- and moderate-income geographies in the St. Louis, MO-IL MSA assessment area are located.

Community Development Services

The bank continues to demonstrate a leadership position with its community development services, which have increased in volume since the previous evaluation. With financial literacy classes and technical assistance provided, bank employees provided 1,038 qualified community development services during the current evaluation period. This is an increase from the previous evaluation period where bank employees provided 663 qualified community development services. Many of the services involve reoccurring activities with bank employees serving in positions that involve the provision of financial expertise or technical assistance for over 70 different qualifying organizations.

Many of the financial literacy classes were through the bank's partnerships with SLCCU and SIUE and other community development organizations throughout the combined assessment area. These classes were primarily geared towards building and repairing credit and affordable housing, which are prevalent financial needs in the community that was identified by all community contacts.

The tables below illustrate the number of services by rated area, year, and community development category. Carrollton Bank’s performance was compared to similarly situated institutions. These six institutions had qualifying services that ranged from a low of 127 to a high of 779. Carrollton Bank’s commitment to increasing financial literacy and providing financial expertise and technical assistance is apparent and contributed to the bank’s leadership position. Please refer to the detailed comments for each assessment area for a complete discussion of the bank’s performance under the Service Test.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
State of Illinois	0	227	16	0	243
St. Louis, MO-IL MSA	25	743	17	7	792
Regional Activities	0	3	0	0	3
Total	25	973	33	7	1,038
<i>Source: Bank Data</i>					

Community Development Services by Activity Year					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (10/19/2021 – 12/31/2021)	0	70	3	0	73
2022	11	250	14	4	279
2023	12	327	11	2	352
YTD 2024	2	326	5	1	334
Total	25	973	33	7	1,038
<i>Source: Bank Data</i>					

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. Examiners did not identify any discriminatory or other illegal credit practices.

MULTI-STATE METROPOLITAN AREA

CRA RATING FOR ST. LOUIS, MO-IL MSA: OUTSTANDING

The Lending Test is rated: Outstanding

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ST. LOUIS, MO-IL MSA

The St. Louis, MO-IL MSA assessment area is comprised of the following Missouri counties: Jefferson, St. Charles and St. Louis, as well as the City of St. Louis. It also includes three contiguous counties in Illinois: Jersey, Madison, and St. Clair. This assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all the geographies where the bank's offices and deposit-taking ATMs are located.

Carrollton Bank maintains nine of its 11 full-service offices, a drive-up facility, and an LPO in St. Louis, MO-IL MSA, and a significant portion of its deposits (82.7 percent) and reported loan activity (over 87 percent) was conducted within this assessment area during the review period. Additionally, the bank conducted a majority of its community development lending, investments and services within this assessment area; therefore, it received the most weight in the overall CRA rating.

Economic and Demographic Data

This assessment area encompasses 611 census tracts. These tracts reflect the following income designations according to the 2020 U.S. Census:

- 73 low-income tracts,
- 129 moderate-income tracts,
- 218 middle-income tracts,
- 184 upper-income tracts, and
- 7 non-classified tracts.

The following table provides a summary of the demographics, housing, and business information within the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: St. Louis, MO-IL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	611	11.9	21.1	35.7	30.1	1.1
Population by Geography	2,482,475	7.2	18.4	38.8	35.2	0.4
Housing Units by Geography	1,116,910	9.7	20.5	38.0	31.2	0.6
Owner-Occupied Units by Geography	686,580	4.8	16.3	40.2	38.5	0.3
Occupied Rental Units by Geography	322,312	16.0	25.9	36.5	20.7	1.0
Vacant Units by Geography	108,018	22.1	30.6	29.2	16.6	1.5
Businesses by Geography	426,038	7.4	15.2	33.5	43.0	0.8
Farms by Geography	9,525	5.2	14.5	38.7	41.2	0.4
Family Distribution by Income Level	633,996	20.6	17.6	20.8	41.0	0.0
Household Distribution by Income Level	1,008,892	23.8	16.2	17.8	42.2	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$84,758	Median Housing Value			\$189,777
			Median Gross Rent			\$937
			Families Below Poverty Level			7.4%
Source: 2020 U.S. Census and 2023 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 Federal Financial Institutions Examination Council (FFIEC) median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the St. Louis, MO-IL MSA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2022 (\$96,800)	<\$48,400	\$48,400 to <\$77,440	\$77,440 to <\$116,160	≥\$116,160
2023 (\$100,800)	<\$50,400	\$50,400 to <\$80,640	\$80,640 to <\$120,960	≥\$120,960
<i>Source: FFIEC</i>				

According to 2023 D&B data, the assessment area contains 426,038 non-farm businesses with the following revenue characteristics: 92.3 percent have \$1 million or less, 2.4 percent have more than \$1 million, and 5.3 percent have unknown revenues. Service industries represent the largest portion of businesses in the assessment area at 32.5 percent; followed by non-classifiable establishments (31.0 percent); finance, insurance, and real estate (12.0 percent); and retail trade (8.4 percent). In

addition, 58.2 percent of assessment area businesses have four or fewer employees, and 94.6 percent operate from a single location.

Farming operations are also prevalent in the more rural portions of the assessment area. The assessment area contains 9,525 farming operations, and 97.8 percent reported revenues of \$1 million or less. These demographics indicate the potential for the banks to participate in small business and small farm lending within the assessment area under the borrower profile criterion.

Unemployment rates in each county in the assessment area have generally returned to normal levels and remained stable throughout the review period since the COVID-19 pandemic. The following table illustrates the unemployment rates by county, state, and national levels.

Unemployment Rates – St. Louis, MO-IL MSA AA				
	2021	2022	2023	September 2024
Area	%	%	%	%
Jefferson County, MO	3.8	2.4	2.8	2.7
Jersey County, IL	4.4	3.7	3.9	3.9
Madison County, IL	5.0	3.9	4.1	4.2
St. Charles County, MO	3.3	2.1	2.5	2.5
St. Clair County, IL	6.2	4.5	4.6	4.7
St. Louis County, MO	4.2	3.4	3.0	3.0
St. Louis City, MO	5.9	3.2	3.7	3.8
State of IL	6.1	4.6	4.5	5.0
State of MO	4.2	2.6	3.0	3.0
National Average	5.3	3.6	3.6	4.1
<i>Source: Bureau of Labor Statistics.</i>				

Competition

This assessment area is highly competitive for financial services. According to the FDIC Deposit Market Share data as of June 30, 2024, there were 112 financial institutions operating 814 full-service branches within the assessment area. Of these institutions, Carrollton ranked 10th with a 1.93 percent deposit market share. Large national and regional financial institutions operating in the area maintain a majority of the market share.

There is also a high level of competition for loans among other banks, credit unions, and non-depository lenders throughout this assessment area. The latest market share data available for each product line reflects the following: 2023 HMDA aggregate lending data includes 59,038 home mortgage originations and purchases by 593 lenders. Aggregate small business lending data reflects 171 reporting lenders originating 61,000 small business loans in the assessment area. Small farm lending is less prevalent as 2022 aggregate lending data only reflected 28 lenders reporting 721 loans. This data indicates a highly competitive banking market for deposits, home mortgage loans, and small business loans within the assessment area.

Community Contacts

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

Two recent community contacts were reviewed in the St. Louis, MO-IL MSA as part of the scope of this evaluation. The contacts were made with governmental agencies that promote affordable housing and economic development throughout the area. One contact is heavily involved with housing markets throughout the area and expressed a need for affordable housing. The contact noted the need for financing that could support the rehabilitation and improvements for current housing stock. Additionally, the area is facing challenges of higher housing costs and a lack of available housing units. Further, the contact noted the local economy is growing and improving since the end of COVID-19. The business climate emphasizes large businesses over small businesses. One of the areas larger industrial employers is facing closure and has a potential trickle-down effect on other smaller businesses. The contact also noted a need for low-interest start-up small business financing.

The second contact primarily focuses on small business development. The contact stated that the small business sector is growing and has had several requests for start-up assistance. The contact also stated that with higher rates the demand for small business financing has been down more in 2023 and early 2024 than prior years, adding that generally there is a demand for small business and affordable housing loans. Further, there is a need for financial literacy training for small businesses.

Both contacts shared comments indicating that local financial institutions have been responsive to credit and community development needs in the area.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that home mortgage, small business, and affordable housing loans represent the primary credit needs in the area. The percentage of low- and moderate-income families in the assessment area at 38.2 percent and the high percentage of businesses with GARs of \$1 million or less support this conclusion. Additionally, throughout the assessment area, Opportunity Zones, Enterprise Zones, and numerous Tax Increment Financing (TIF) districts have been established to promote small business development. There are also numerous non-profit agencies in the area that provide essential services to low- and moderate-income individuals.

SCOPE OF EVALUATION – ST. LOUIS, MO-IL MSA

A full-scope review of Carrollton Bank's performance in the St. Louis, MO-IL MSA was conducted. Performance in this assessment area carries the most weight in determining the overall rating, because it is where the bank generates the majority of its loans and derives the majority of its deposits.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ST. LOUIS, MO-IL MSA

LENDING TEST

The bank's lending performance in the St. Louis, MO-IL MSA assessment area is outstanding given the assessment area credit needs, financial capacity and business focus, and innovative lending practices. Borrower distribution and community development lending activity support this conclusion.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs within the St. Louis, MO-IL MSA. This conclusion is supported by the bank's lending performance for home mortgage, small business, small farm, and community development lending within the MSA during the current evaluation period.

Comparing the bank's lending market share to its deposit market share allows for a comparison of the bank's lending relative to its capacity. Based on the most recent market share data available, Carrollton Bank's home mortgage lending by number of loans ranked 8th among 593 lenders based on 2023 home mortgage loan data. Aggregate small business data for 2022 reflected that Carrollton Bank ranked 9th for small business lending out of 171 lenders. Aggregate lending data for 2022 reflects 28 small farm lenders in the assessment area and Carrollton ranked 1st with a 26.4 percent market share. The bank's deposit market share ranked 10th among 112 banks as of June 30, 2024. This level of lending is good compared to the level of deposit activity in the assessment area.

Carrollton Bank originated 211 community development loans totaling approximately \$312.2 million (56.8 percent of total community development loans) in this assessment area during the current review period. The bank's community development lending activity is consistent with the level of home mortgage, small business, and small farm lending in this assessment area.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The excellent home mortgage lending and adequate small business and small farm lending supported this conclusion. For this criterion, examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent penetration throughout the St. Louis, MO-IL MSA. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data. As detailed in the following table, Carrollton Bank's lending exceeded aggregate lending levels in low- and moderate-income census tracts in both years.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: St. Louis, MO-IL MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.8	3.1	100	4.8	9,965	2.5
2023	4.8	3.6	56	3.9	5,586	1.9
Moderate						
2022	16.3	15.0	374	18.0	42,127	10.7
2023	16.3	16.2	308	21.7	33,574	11.4
Middle						
2022	40.2	41.9	879	42.3	145,175	37.0
2023	40.2	41.9	581	40.9	106,211	36.0
Upper						
2022	38.5	39.8	716	34.5	193,634	49.4
2023	38.5	38.1	472	33.2	149,492	50.6
Not Available						
2022	0.3	0.2	8	0.4	1,033	0.3
2023	0.3	0.3	5	0.4	484	0.2
Totals						
2022	100.0	100.0	2,077	100.0	391,934	100.0
2023	100.0	100.0	1,422	100.0	295,347	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Results under this criterion were supported by the bank's efforts to meet the needs of low- and moderate-income areas through the use of innovative and flexible lending programs.

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area, including low- and moderate-income census tracts. Examiners placed more weight on the bank's comparison to aggregate data as aggregate data provides a better indication of the opportunities for lending when drawing conclusions.

As reflected in the table above, the bank's level of lending in low-income census tracts in 2022 is similar to aggregate performance but slightly lags business demographics in both years. Although the bank does not operate any offices in low-income census tracts, it was able to achieve an adequate penetration of small business lending that is comparable to the performance of aggregate lenders. The bank's lending in moderate-income geographies reflects a similar trend as that of lending in low-income tracts throughout the review period and is considered adequate.

Geographic Distribution of Small Business Loans						
Assessment Area: St. Louis, MO-IL MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	7.3	6.1	67	5.0	20,968	6.1
2023	7.4	--	75	5.8	22,178	7.0
Moderate						
2022	15.0	14.3	162	12.1	35,678	10.3
2023	15.2	--	151	11.7	31,821	10.0
Middle						
2022	33.4	36.8	529	39.7	128,258	37.0
2023	33.5	--	497	38.5	111,047	34.9
Upper						
2022	43.4	41.9	566	42.4	156,120	45.1
2023	43.0	--	562	43.5	151,287	47.5
Not Available						
2022	0.8	0.9	10	0.8	5,160	1.5
2023	0.8	--	7	0.5	2,188	0.7
Totals						
2022	100.0	100.0	1,334	100.0	346,184	100.0
2023	100.0	--	1,292	100.0	318,521	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration. As detailed in the following table, there are very few farms located in low- and moderate-income census tracts of the MSA. Consequently, the bank's small farm lending is heavily concentrated in middle-income geographies.

The bank originated one small farm loan in low-income census tracts throughout the review period, but this performance is not considered unreasonable. Most of the low-income tracts in the assessment area are located in urban areas where there are very few farm operations. The aggregate lending data and area demographics is an indication that all lenders face challenges originating small farm loans in these tracts. Performance was similar in moderate-income tracts, in which Carrollton Bank's lending levels were below both aggregate lending levels and area demographics in both years. However, the bank continues to offer flexible lending programs for small farming operations, and over half (51.2 percent) of the small farm loan originations from this review period were in this assessment area. Carrollton Bank's performance is adequate, especially when

considering the limited number of operations in these tracts and that this product line is not a primary business focus for the bank.

Geographic Distribution of Small Farm Loans						
Assessment Area: St. Louis, MO-IL MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	5.1	2.4	1	0.5	133	0.5
2023	5.2	--	0	0.0	0	0.0
Moderate						
2022	14.0	5.0	2	1.1	390	1.3
2023	14.5	--	2	1.2	285	1.1
Middle						
2022	39.1	52.7	126	66.7	19,693	68.0
2023	38.7	--	116	67.8	17,653	70.6
Upper						
2022	41.5	39.9	60	31.7	8,764	30.2
2023	41.2	--	53	31.0	7,066	28.3
Not Available						
2022	0.3	0.0	0	0.0	0	0.0
2023	0.4	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	189	100.0	28,980	100.0
2023	100.0	--	171	100.0	25,004	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of borrowers reflects excellent penetration among borrowers of different income levels and farms of different sizes and adequate penetration among businesses of different sizes given the product lines offered by the bank. This conclusion is supported by excellent penetration of home mortgage lending to individuals of different income levels and small farms of different revenue sizes and adequate penetration of small businesses of different revenue sizes.

Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers, as well as the percentage by number of small business and small farm loans to businesses and farms with GARs of \$1 million or less.

Home Mortgage Loans

The distribution of loans to borrowers reflects excellent penetration among borrowers of different income levels. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data.

Carrolton Bank's lending to low-income borrowers exceeded aggregate performance for both years. As noted in the following table, there is a notable difference between aggregate lending levels and area demographics. This can be partially attributed to the high median housing values in the assessment area and the respective incomes for low-income families. Further, 7.4 percent of low-income families generate income below the poverty level. Due to their limited financial resources, families with incomes below the poverty level generally do not have the capacity to support a home mortgage, limiting the demand and opportunity for lending to low-income borrowers.

Lending to moderate-income borrowers was similar to aggregate performance and exceeded assessment area demographics for both years. The bank has continued to make a concerted effort to assist low- and moderate-income borrowers achieve homeownership by using flexible lending programs and community outreach, which is reflected by this excellent performance.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: St. Louis, MO-IL MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	20.6	11.3	297	14.3	29,349	7.5
2023	20.6	10.7	226	15.9	22,622	7.7
Moderate						
2022	17.6	19.8	407	19.6	54,014	13.8
2023	17.6	20.3	296	20.8	38,602	13.1
Middle						
2022	20.8	19.5	362	17.4	63,219	16.1
2023	20.8	19.6	230	16.2	39,939	13.5
Upper						
2022	41.0	29.3	680	32.7	177,978	45.4
2023	41.0	31.0	433	30.5	141,887	48.0
Not Available						
2022	0.0	20.1	331	15.9	67,374	17.2
2023	0.0	18.4	237	16.7	52,297	17.7
Totals						
2022	100.0	100.0	2,077	100.0	391,934	100.0
2023	100.0	100.0	1,422	100.0	295,347	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of loans to borrowers reflects adequate penetration among businesses of different sizes. While business demographic data is presented in the following table as a comparable factor, such data consists of all businesses that exist within the assessment area, including businesses that may not be seeking traditional financing. Thus, aggregate lending data is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small businesses.

The bank's level of lending to small businesses with GARs of \$1 million or less was comparable to aggregate data in 2022, the only year for which data is available. Lending levels were similar in 2023. As previously mentioned, the assessment area is highly competitive for small business lending. The bank continues to offer flexible lending programs and perform community outreach to partner with area organizations to provide micro loans and a financial education program targeting start-ups and very new businesses in the assessment area, which was a need identified by a community contact. These efforts illustrate Carrollton Bank's efforts to meet the credit needs of small businesses in the area.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: St. Louis, MO-IL MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	91.4	53.5	633	47.5	127,423	36.8
2023	92.3	--	591	45.7	106,112	33.3
>\$1,000,000						
2022	2.9	--	645	48.4	205,895	59.5
2023	2.4	--	660	51.1	203,095	63.8
Revenue Not Available						
2022	5.7	--	56	4.2	12,866	3.7
2023	5.3	--	41	3.2	9,314	2.9
Totals						
2022	100.0	100.0	1,334	100.0	346,184	100.0
2023	100.0	--	1,292	100.0	318,521	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The distribution of loans to borrowers reflects excellent penetration among farms of different sizes. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data. While farm demographic data is presented in the following table as a comparable factor, such data consists of all farms that exist within the assessment area, including those that may

not be seeking traditional financing. Thus, aggregate data is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small farms.

The distribution of small farm loans reflects excellent penetration among farms with GARs of \$1 million or less. As detailed in the following table, the bank's lending levels exceeded aggregate performance by more than 20 percentage points in 2022. Additionally, the bank originated a vast majority of its small farm loans to operations reporting GARs of \$1 million or less in 2023. Carrollton Bank utilizes flexible lending programs targeted to assist new farm operators and smaller operations, which has helped reached this market segment and support the credit needs of the community, as previously noted.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: St. Louis, MO-IL MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	97.6	62.7	165	87.3	21,931	75.7
2023	97.8	--	132	77.2	15,210	60.8
>\$1,000,000						
2022	1.4	--	24	12.7	7,049	24.3
2023	1.2	--	38	22.2	9,774	39.1
Revenue Not Available						
2022	1.0	--	0	0.0	0	0.0
2023	1.0	--	1	0.6	20	0.1
Totals						
2022	100.0	100.0	189	100.0	28,980	100.0
2023	100.0	--	171	100.0	25,004	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

Carrollton Bank makes extensive use of innovative lending or flexible lending practices to serve the assessment area credit needs. The bank offers many lending programs that are specifically available to assist low- and moderate-income borrowers or geographies. The following table provides a breakdown of the 913 flexible loans totaling \$166.9 million made in this assessment area during the current evaluation period. For comparison purposes, the bank originated 1,343 flexible loans totaling \$265.9 million in this assessment area at the previous evaluation.

Innovative or Flexible Lending Programs										
Type of Program	2021		2022		2023		2024		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Credit Builder Loan Program	14	7	57	33	75	45	38	24	184	109
Farmer Mac I	5	2,562	12	9,682	1	626	3	765	21	13,635
Farmer Mac II	1	495	1	669	2	474	2	489	6	2,127
FHA	41	6,129	190	34,826	119	20,618	52	9,234	402	70,807
Illinois Linked Deposit Lending	1	20	7	1,590	28	4,926	2	200	38	6,736
USDA	0	0	7	991	8	1,250	4	562	19	2,803
VA	32	9,009	104	29,324	87	25,727	20	6,676	243	70,736
Totals	94	18,222	378	77,115	320	53,666	121	17,950	913	166,953
<i>Source: Bank Records.</i>										

Additionally, the bank uses a variety of down-payment assistance programs that are responsive to the credit needs of the assessment area. Throughout the review period, the bank utilized \$3.2 million to assist 472 low- and moderate-income borrowers qualify for homeownership in the assessment area. The majority of the down payment assistance came from the Federal Home Loan Bank of Chicago's Down Payment Plus (DPP) Program in which the bank utilized \$1.7 million in DPP funds to assist 231 low- and moderate-income borrowers. IHDA and MHCD were also important sources of down-payment funding in this assessment area, in which the bank utilized \$1.2 million to assist 179 low- and moderate-income borrowers.

Community Development Loans

Carrollton Bank is a leader in originating community development loans in the St. Louis, MO-IL MSA. The following table details the 211 community development loans totaling \$312.2 million that were originated in this area during the current evaluation period. This level of lending far exceeds five of the six similarly situated large banks with similar operations in this assessment area that were evaluated for CRA during the current evaluation period. The top similarly situated institution originated 280 qualified community development loans. For comparison purposes, Carrollton Bank originated 382 community development loans totaling \$389.0 million in this assessment area at the previous evaluation.

Community Development Lending										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (10/19/2021 – 12/31/2021)	4	793	3	7,000	0	0	4	9,089	11	16,882
2022	25	15,845	8	12,631	12	19,056	21	36,016	66	83,548
2023	20	9,123	11	18,240	17	22,592	18	47,382	66	97,337
YTD 2024	18	7,349	16	31,049	22	46,734	12	29,261	68	114,393
Total	67	33,110	38	68,920	51	88,382	55	121,748	211	312,160
<i>Source: Bank Data</i>										

Notable examples of the bank’s community development loans in the assessment area include the following:

- \$1.5 million in loans to SLCCU to fund the organization’s small business microloan program. These loans were responsive to the economic development needs in the assessment area, in particular, for the growth of small businesses in low-income areas.
- A \$2.1 million loan was originated to finance the purchase of a 336-unit multi-family apartment building in St. Louis, MO. All units are leased at rates that are affordable to low- and moderate-income individuals and promotes affordable housing, which is a primary need identified by community contacts.
- A \$4.2 million loan was originated to a local business to build a new facility in a low-income tract. The business employs around 450 low- and moderate-income jobs in the area. The bank also originated or renewed over \$30 million to this business for continuing operations in an Opportunity Zone. These loans promote economic development and the stabilization of low-income areas in the assessment area.

INVESTMENT TEST

Carrollton Bank’s investment performance is outstanding given the credit and community development needs; the bank’s financial capacity and business focus; investment and grant activities; and availability of investment opportunities.

Investment and Grant Activity

Carrollton Bank has an excellent level of qualified community development investments and grants, often in a leadership position, particularly those that are not routinely provided by private investors. Investments during the review period include 12 new investments totaling \$11.2 million and 19 prior period community development investments totaling \$18.2 million. The bank also provided 422 qualified donations and grants totaling approximately \$1.2 million to organizations with a primary purpose of community development. The level of community development investments in this assessment area represents 69.8 percent of total community development investments, by dollar

volume. This performance is similar to the previous evaluation when the bank made or held 31 qualified investments and 421 qualified grants and donations totaling \$26.0 million.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	15	16,049	3	1,645	1	491	0	0	19	18,185
2021 (10/19/2021 – 12/31/2021)	0	0	0	0	0	0	0	0	0	0
2022	2	2,045	0	0	0	0	1	315	3	2,360
2023	0	0	1	1,150	0	0	0	0	1	1,150
YTD 2024	3	5,733	5	1,915	0	0	0	0	8	7,648
Subtotal	20	23,827	9	4,710	1	491	1	315	31	29,343
Qualified Grants & Donations	31	60	368	728	16	287	7	92	422	1,167
Total	51	23,887	377	5,438	17	778	8	407	453	30,510
<i>Source: Bank Data</i>										

Notable examples of community development investments or grants made or maintained by the bank during the current review period include:

- Carrollton Bank invested \$500,000 with a CDFI that focuses on helping non-profits from every sector and has been involved with revitalization and affordable housing projects in the St. Louis area. An example of this CDFI's projects includes the conversion of underutilized properties into mixed-use areas that include apartments with affordable rents and office space and shared resources for nonprofits serving the area.
- The bank has continued to take a leadership role with its investment in the SLCCU and contributed over \$185,000 during this review period. This collaboration is particularly impactful and responsive to area needs. These funds were used to support the operations of a micro-branch of SLCCU in a low-income tract near the south side of St. Louis where access to banking branches and services is limited. In addition, the funds supported a Gateway to a Banking Career program, which prepares individuals for a potential career in banking, and funded a full-time credit coach through SLCCU's affiliate.
- Carrollton Bank purchased 5 mortgage-backed security pools totaling \$7.8 million during the current period and continues to hold \$16.0 million purchased during the previous review period. The pools are comprised of properties located in low- or moderate-income census tracts or were originated to low- or moderate-income borrowers in the area. These investments promote affordable housing throughout this assessment area.

Responsiveness to Credit and Community Development Needs

Carrollton Bank exhibits excellent responsiveness to credit and community economic development needs in this assessment area. The bank has made significant donations that support qualified

community services, affordable housing, and economic development. The bank has also made significant investments in mortgage-backed securities that promote affordable housing, a prevalent need in the assessment area.

As previously mentioned, the bank has continued its collaboration with SLCCU, CDFI, Minority Depository Institutions (MDI), and a low-income designated credit union (80 percent of its members are considered low-income). The partnership was designed to increase lending, expand financial education, and deliver other banking services to unbanked and underbanked areas within St. Louis City and County. SLCCU's primary products are second chance checking accounts, payday loan alternatives, credit builder loans, and used auto loans. The bank's investments, grants, and donations in this partnership have allowed the organization to fulfill its various programs that assist low- and moderate-income individuals in the area.

Community Development Initiatives

Carrollton Bank continues to make extensive use of innovative and complex investments to support community development lending, particularly in this assessment area. The bank has taken a leadership role in developing and furthering its investments in the SLCCU and its non-profit affiliate, Prosperity Connection, as well as the SIUE St. Louis Center. In addition to financial support, both of these collaborations required a significant amount of staff resources and involvement to provide financial expertise and assist with developing and overseeing community development focused programs.

These collaborations, and the complexities related to the bank's level of involvement, are examples of innovative ways the bank has been responsive to the credit and community economic development needs of the St. Louis market. As previously mentioned, the structure of these collaborations has served as a model that the bank has utilized in other assessment areas.

SERVICE TEST

Performance under the service test reflects excellent responsiveness to the credit and community development needs in this assessment area. This conclusion was determined by evaluating the availability of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting assessment area needs, and community development services. For this performance test, more weight is afforded the community development services criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the assessment area; however, physical access in low- and moderate-income areas is limited as the bank only has one branch in a moderate-income geography. The bank operates five full-service offices and one LPO in Missouri, and four full-service offices and a drive-up facility in Illinois. Most of these offices are equipped with drive-up facilities and ATMs that have services in both English and Spanish. There are no drive-ups at either of the offices in Arnold and Edwardsville and there is no ATM in Arnold. The following table provides the distribution of the branch locations and ATMs among the census tract income levels.

Branch and ATM Distribution by Geography Income Level								
Assessment Area: St. Louis, MO-IL MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	73	11.9	177,909	7.2	0	0.0	0	0.0
Moderate	129	21.1	457,837	18.4	1	11.1	1	10.0
Middle	218	35.7	963,604	38.8	5	55.6	6	60.0
Upper	184	30.1	873,491	35.2	3	33.3	3	30.0
NA	7	1.1	9,634	0.4	0	0.0	0	0.0
Totals	611	100.0	2,482,475	100.0	9	100.0	10	100.0
<i>Sources: 2020 U.S. Census & Bank Data</i> <i>Due to rounding, totals may not equal 100.0%</i>								

Carrollton Bank does not have any branches in low-income census tracts and has one office (St. Charles) in a moderate-income tract. While the distribution of the bank's offices does not compare favorably to population demographics, the bank continues to offer a variety of alternative delivery systems that increase the availability of its loan and deposit products and banking services, which were previously detailed.

Additionally, Carrollton Bank continues to operate a full-service branch in Clayton, MO with bilingual employees that speak Spanish and Mandarin. The Spanish-speaking loan officer has been able to provide financial education programs for Spanish speaking individuals. Although the Clayton, MO branch is in an upper-income tract, it is centrally located in St. Louis County, which makes it more accessible to low- and moderate-income people throughout St. Louis County and parts of St. Louis City. The bank's collaborations with SLCCU and SIUE have enhanced its delivery systems for mortgage loans and other services, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Changes in Branch Locations

The bank has not opened or closed any branches in this assessment area since the prior evaluation. The bank opened a drive-up facility with an ATM in Edwardsville, IL in a middle-income tract in July 2024.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income census tracts and/or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Carrollton Bank offers a wide variety of loan and deposit products, which are available at all of the full-service offices throughout the assessment area. As discussed in the overall service section, the bank offers loan and deposit products and services targeting low- and moderate-income borrowers, small businesses, and small farms. The bank has been successful in providing products and services to low- and moderate-income geographies and individuals despite the lack of branches in these specific areas. Carrollton Bank currently has leased space in two real estate offices (Cahokia, IL and Ferguson, MO) where their mortgage loan officers meet with potential clients by appointment to discuss home financing options. Both offices are located in low-income tracts and are intended to increase access in these geographies and service low- and moderate-income individuals and families.

Carrollton Bank continues to offer deposit accounts that promote financial services for the unbanked and underbanked residents in the area, who are presumably low- and moderate-income. These accounts include a financial literacy component through the bank's Get Checking educational program. Carrollton Bank also offers loan products including Credit Builder loans and secured credit cards to assist with the establishment or rebuilding of credit.

Community Development Services

Carrollton Bank is a leader in providing community development services throughout the St. Louis, MO-IL MSA. Between financial literacy classes and technical assistance provided to organizations, bank officers and employees provided 792 qualified community development services to over 55 different community development-related organizations during the review period. Many of the financial literacy classes were geared towards building and repairing credit and affordable housing, which were identified as some of the most prevalent community development and credit needs in this assessment area. This level of community development services is a notable increase from the previous review period when bank officer and employees provided 474 qualified community development services.

Community Development Services					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (10/19/2021 – 12/31/2021)	0	43	0	0	43
2022	11	180	9	4	204
2023	12	257	6	2	277
YTD 2024	2	263	2	1	268
Total	25	743	17	7	792

Source: Bank Data

Notable examples of community development services provided by the bank during the current review period include the following:

- A bank officer serves as a member of the St. Louis Regional Financial Empowerment Coalition (RFEC). The RFEC is the result of a merger between the St. Louis Regional

Unbanked Task Force, Bank On Save Up St. Louis, and the Financial Literacy Education Collaborative. Additionally, a bank officer serves on key committees of this organization to coordinate financial education classes in the region focusing on the un- and underbanked as well as low- and moderate-income population in the region.

- Multiple officers have served on the Board of Directors and in other key roles for a regional CRA Association comprised of several banks that work together to address the credit needs of the region. These bank officers have been active with the organization during this review period and played key roles in organizational initiatives that directly support low- and moderate-income individuals.
- An officer serves on the Board of Directors for a non-profit organization focused on providing financial education and access to reliable financial products and services to low- and moderate-income individuals and families in the assessment area. The organization includes a program that offers free financial one-on-one coaching that a bank officer participates in, providing over 20 coaching sessions a month.

ILLINOIS

CRA RATING FOR ILLINOIS: HIGH SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS

Carrollton Bank operates two offices in the State of Illinois outside the St. Louis, MO-IL MSA. These two offices are in geographically and economically different areas of the State and each branch has its own distinct assessment area; therefore, each area is presented separately with facts, data, and conclusions. One assessment area is comprised of Sangamon County, which is in the Springfield, IL MSA. The other assessment area is comprised of Greene County, which is located in a non-metropolitan area in south-central Illinois where the bank is headquartered. Detailed descriptions of these areas are located in subsequent sections of this evaluation.

SCOPE OF EVALUATION – ILLINOIS

The rating for the State of Illinois is based upon full-scope evaluations of the bank's performance in the Springfield, IL MSA and Illinois Non-MSA assessment areas. The bank's operations in Jersey, Madison, and St. Clair Counties of Illinois are excluded from this review because operations in those counties were evaluated as part of the multi-state MSA. For the State of Illinois rating, the bank's performance is weighted evenly between full-scope reviews of the Sangamon and Greene County assessment areas, as lending activity is similar in the two areas. These two assessment areas combined contain 17.3 percent of deposits and roughly 12 percent of loans resulting in the State of Illinois rating receiving less weight in the overall conclusions.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS

The bank's performance in the State of Illinois, for the Lending, Investment, and Service Tests is consistent with both the overall and St. Louis, MO-IL multi-state MSA performance. Comments regarding the bank's performance in Illinois are limited, because activities in these areas only represent a small portion of the bank's overall operations.

LENDING TEST

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs. This conclusion was consistent with performance in both Illinois assessment areas.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment areas. This conclusion was consistent with performance in both assessment areas within the State of Illinois.

Borrower Profile

The distribution of borrowers among retail customers of different income levels and small business and small farm customers of different sizes reflects adequate penetration in the Springfield, IL MSA and excellent penetration in the non-MSA assessment area.

Innovative or Flexible Lending Practices

The institution uses innovative or flexible lending practices in order to serve the assessment area needs. This conclusion was consistent in both assessment areas within the State of Illinois.

Community Development Loans

Carrolton Bank made an adequate level of community development loans in the Illinois assessment areas. This conclusion is supported by the performance in the Springfield, IL MSA. Please refer to the individual sections for details on each assessment area.

INVESTMENT TEST

Investment and Grant Activity

The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. Total investments and donations of \$10.6 million are within the State of Illinois, which represents 24.3 percent of all qualified investment and donations made inside the bank's assessment areas. Please refer to the individual sections for details on each assessment area.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to the credit and community economic development needs. Investments and donations were made primarily to support affordable housing and community services for low- and moderate-income persons.

Community Development Initiatives

The institution occasionally uses innovative or complex investments to support community development initiatives.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's Illinois assessment areas, including low- and moderate-income geographies. As previously mentioned, the bank operates one full-service branch, its headquarters, in Greene County and one full-service branch in the Springfield, IL MSA. The bank's headquarters is located eight miles from the nearest moderate-income geographies, while the Springfield branch is located less than half a mile from the nearest low- and moderate-income geographies.

Changes in Branch Locations

No branches were opened or closed in the State of Illinois assessment areas since the prior evaluation.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the Illinois assessment areas, particularly low- and moderate-income geographies, and/or individuals. The same services and products are available at branches throughout the assessment areas. All branches have drive-up services, 24-hour ATMs, and Saturday hours. Branch hours are convenient and comparable to other financial institutions.

Community Development Services

Carrollton Bank provides a relatively high level of community development services. The bank provided community development services to qualified organizations in the State of Illinois during the review period.

SPRINGFIELD, IL MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN SPRINGFIELD, IL MSA

Carrollton Bank designated all of Sangamon County as one of its assessment areas. Sangamon County is located approximately 100 miles northeast of St. Louis, Missouri and 200 miles southwest of Chicago, Illinois. It is part of the Springfield, IL MSA, which is a two-county area located in central Illinois. The bank operates one branch in an upper-income census tract on the west side of Springfield, the county seat and state capital.

The bank continues to generate a considerably smaller portion of its loans and deposits from this assessment area and it carries less weight in the overall rating. By number of loans, home mortgage, small business, and small farm loans originated in this area throughout the review period only accounted for roughly 7 percent of the bank’s overall lending. On June 30, 2024, the bank reported total deposits of \$339.9 million from this assessment area, which represented 11.1 percent of the bank’s total deposits.

Economic and Demographic Data

This assessment area consists of 54 census tracts and has a total population of 196,343 according to the 2020 U.S. Census. The City of Springfield (population 112,544) is the capital of Illinois and remains the major population center and economic hub of the county. Of the 54 census tracts in the assessment area, there are 10 low-income tracts, 14 moderate-income tracts, 14 middle-income tracts, and 16 upper-income tracts according to the 2020 U.S. Census Data. The following table provides a summary of the demographics, housing, and business information within the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Springfield, IL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	54	18.5	25.9	25.9	29.6	0.0
Population by Geography	196,343	13.1	20.8	28.9	37.2	0.0
Housing Units by Geography	91,952	14.6	23.4	30.1	31.9	0.0
Owner-Occupied Units by Geography	58,861	7.9	19.5	31.9	40.7	0.0
Occupied Rental Units by Geography	25,232	28.0	29.2	26.9	15.8	0.0
Vacant Units by Geography	7,859	21.8	34.4	26.3	17.5	0.0
Businesses by Geography	23,200	12.2	22.4	19.0	46.3	0.0
Farms by Geography	846	6.1	12.6	38.3	42.9	0.0
Family Distribution by Income Level	50,068	23.8	15.8	20.8	39.6	0.0
Household Distribution by Income Level	84,093	25.1	15.9	16.9	42.0	0.0
Median Family Income MSA - 44100 Springfield, IL MSA		\$83,948	Median Housing Value			\$137,014
			Median Gross Rent			\$823
			Families Below Poverty Level			9.7%
Sources: 2020 U.S. Census and 2023 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 FFIEC median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the Springfield, IL MSA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield, IL MSA Median Family Income (44100)				
2022 (\$95,400)	<\$47,700	\$47,700 to <\$76,320	\$76,320 to <\$114,480	≥\$114,480
2023 (\$99,300)	<\$49,650	\$49,650 to <\$79,440	\$79,440 to <\$119,160	≥\$119,160
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the borrower profile criterion compares the distribution of loans to the distribution of businesses and farms by GAR. According to 2023 D&B data, there were 23,200 non-farm businesses in the assessment area with the following GAR characteristics: 86.2 percent have \$1 million or less, 3.3 percent have more than \$1 million, and 10.5 percent have unknown revenues. Service industries represent the largest portion of businesses in the assessment area at 35.3 percent, followed by non-classifiable establishments (25.5 percent), retail trade (10.2 percent), and finance, insurance, and real estate (10.1 percent). In addition, 57.3 percent of area businesses have four or fewer employees, and 89.0 percent operate from a single

location. The assessment area has multiple Enterprise Zones and Tax Increment Financing (TIF) districts that are targeted for economic development to attract new and retain existing businesses.

There are 846 farms in the assessment area and 2023 D&B data shows the following GARs: 97.9 percent have \$1 million or less, 1.0 percent have more than \$1 million, and 1.2 percent have unknown revenues.

Unemployment rates have generally been consistent throughout the review period after recovering from the COVID-19 pandemic. As shown in the following table, the unemployment rate in Sangamon County has been lower than the State of Illinois averages over the past three years and is currently similar to national averages.

Unemployment Rates – Springfield, IL MSA AA				
	2021	2022	2023	September 2024
Area	%	%	%	%
Sangamon County	5.7	4.2	4.3	4.3
State of IL	6.1	4.6	4.5	5.0
National Average	5.3	3.6	3.6	4.1
Source: Bureau of Labor Statistics				

Competition

The Springfield market is highly competitive. Carrollton Bank faces stiff competition from very large national banks, mortgage brokers, credit unions, and finance companies that operate within the county. As of June 30, 2024, there were 24 institutions operating 75 offices throughout Sangamon County. A majority of these offices are in the City of Springfield where there are 21 institutions operating 53 offices.

There is a high level of competition for loans among banks, credit unions, and non-depository mortgage lenders in this assessment area. The most recent aggregate lending data available reflects the following: 4,149 HMDA reportable home mortgage originations and purchases by 194 lenders in 2023. Aggregate small business lending data for 2022 reflects 71 reporting lenders originating 2,912 small business loans in the assessment area. Small farm lending is less prevalent with 2022 aggregate lending data only reflecting 15 lenders reporting 139 loans. This data indicates a highly competitive banking market for deposits, home mortgage loans, and small business loans within the assessment area.

Community Contact

One recently conducted community contact was reviewed for this assessment area. The contact identified that affordable housing continues to be a prevalent need in the county. Housing demand has continued to rise for the last few years and has not shown significant signs of slowing down due to the high-interest rate environment similar to other areas of the state. The contact stated that there is a need for both new affordable housing and home improvement of the current housing stock. The contact also identified small business lending as a prevalent need in the county as well to promote economic growth in areas of the county that are low- and moderate-income. Overall, the contact noted that all lenders in the area seem to place a focus in getting low- and moderate-income

borrowers the financing they need for home mortgage loans and many offer loan programs for small businesses in the area.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that residential mortgage loans and small business loans continue to represent the primary credit needs in the area. The percentage of low- and moderate-income families and geographies and the high volume of businesses with GARs of \$1 million or less support this conclusion.

The assessment area provides adequate opportunities for financial institutions to become involved in community development activities. Throughout the assessment area, there are Enterprise Zones and TIF districts that were established to encourage small business development. Additionally, there are numerous non-profit agencies in the area that provide essential services to low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SPRINGFIELD, IL MSA

LENDING TEST

The bank's lending performance reflects good responsiveness to the credit needs in the Springfield, IL MSA. This conclusion was determined by evaluating the bank's lending activity, geographic distribution of loans, borrowers' profile, innovative or flexible lending practices, and community development lending.

Lending Activity

Lending levels reflect good responsiveness to the Springfield, IL MSA assessment area credit needs. This conclusion is supported by the bank's volume of home mortgage, small business, small farm, and community development lending within the MSA during the current evaluation period. As previously stated, the bank continues to generate a considerably smaller portion of its loans and deposits from this assessment area, but it is consistent with its presence in the market.

Comparing the bank's lending market share (based on the most recent aggregate data available) to its deposit market share allows for a comparison of the bank's lending relative to its capacity. Carrollton Bank's home mortgage lending by number of loans ranked 16th among 194 lenders based on 2023 home mortgage market share loan data. Based on 2022 small business market share data, the bank ranked 7th for small business lending out of 71 lenders. Carrollton Bank ranked 3rd out of 15 small farm lenders operating in the assessment area based on 2022 aggregate data. The bank's deposit market share ranked 9th among 24 banks as of June 30, 2024. This level of lending is good compared to the level of deposit activity in the assessment area.

Carrollton Bank originated 32 community development loans totaling approximately \$114.2 million (20.8 percent of total community development loans by dollar volume) in this assessment area

during the current review period. The bank's community development lending activity is consistent with the level of home mortgage, small business, and small farm lending in this assessment area.

Geographic Distribution

Carrollton Bank's geographic distribution of loans reflects adequate penetration throughout the assessment area. The adequate home mortgage, small business, and small farm lending supported this conclusion. For this criterion, examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area when considering performance context such as the housing demographics, the bank's branching, and competition in the area. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data.

As shown in the following table, the bank's lending in low-income tracts was comparable to aggregate data in 2022 and below aggregate data in 2023 and demographic data in both 2022 and 2023. While the bank's lending in moderate-income tracts was below aggregate data in both years, it was comparable to demographic data in both years. As stated previously, the assessment area is highly competitive for home mortgage lending. In 2022, 107 lenders originated or purchased 1,249 home mortgage loans in the low- and moderate-income tracts with the top five lenders representing 34.5 percent of the market share. In 2023, 113 lenders originated or purchased 1,649 home mortgage loans in these tracts with the top five lenders representing 36.8 percent of the market share. Additionally, there are 24 institutions operating 75 branch offices in the assessment area. A majority of the top lenders in the area are large national institutions, mortgage companies, and community banks with multiple branches throughout the county. Carrollton operates a single branch in this assessment area, making it difficult to match these competitors. Given these factors, the bank's performance is adequate.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Springfield, IL MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	7.9	6.3	6	4.6	733	4.1
2023	7.9	6.7	2	2.3	53	0.4
Moderate						
2022	19.5	24.4	21	16.0	1,951	10.9
2023	19.5	23.4	17	19.3	2,198	15.2
Middle						
2022	31.9	28.9	37	28.2	5,584	31.2
2023	31.9	30.3	21	23.9	2,725	18.8
Upper						
2022	40.7	40.4	67	51.1	9,656	53.9
2023	40.7	39.6	48	54.5	9,503	65.6
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	0.0	0	0.0	0	0.0
Totals						
2022	100.0	100.0	131	100.0	17,924	100.0
2023	100.0	100.0	88	100.0	14,479	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects adequate penetration throughout the assessment area. The percentage of businesses located in each income tract level and aggregate lending data are used as comparators to evaluate the bank's lending performance.

The bank's lending in low-income tracts exceeded both aggregate and demographic data in 2022. Lending performance in low-income tracts in 2023 was comparable to the percent of businesses in these tracts. Lending levels in the moderate-income geographies are comparable to aggregate data in 2022 and comparable to demographic data in 2023.

The bank's lending performance is notable when considering the composition of the business community in the low- and moderate-income geographies and the challenges present for small business lending by community banks. Roughly, one-third of the businesses in Sangamon County are located in these tracts, but these figures include some of the largest employers in the area. Further, numerous state and local government offices and numerous retail establishments that

include chain restaurants and shopping centers are located in these geographies. The presence of these larger entities impacts the opportunities for small business lending.

Geographic Distribution of Small Business Loans						
Assessment Area: Springfield, IL MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	13.4	11.7	25	20.3	3,608	16.9
2023	12.2	--	19	14.4	4,855	21.8
Moderate						
2022	24.6	19.5	23	18.7	2,879	13.5
2023	22.4	--	33	25.0	7,462	33.5
Middle						
2022	20.1	23.3	19	15.4	2,995	14.0
2023	19.0	--	22	16.7	2,286	10.2
Upper						
2022	42.0	45.6	56	45.5	11,907	55.7
2023	46.3	--	58	43.9	7,702	34.5
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	123	100.0	21,389	100.0
2023	100.0	--	132	100.0	22,305	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Farm Loans

Overall, the bank's performance reflects adequate penetration; however, as previously mentioned, small farm lending is not a prevalent product in this assessment area. As reflected in the following table, Carrollton Bank did not originate any small farm loans in low- or moderate-income tracts in either 2022 or 2023. However, it should be noted that there is very little opportunity for small farm lending in the low- and moderate- income geographies in this assessment area, as the majority of these tracts are located in the more urban portions of the county. This conclusion is supported by the aggregate lending data that reflects only 0.7 percent of small farm loans were made in low-income tracts and 2.9 percent of small farm loans were made in moderate-income tracts in 2022. Given the demographics and the competition in the area, performance is adequate.

Geographic Distribution of Small Farm Loans						
Assessment Area: Springfield, IL MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	5.9	0.7	0	0.0	0	0.0
2023	6.1	--	0	0.0	0	0.0
Moderate						
2022	12.8	2.9	0	0.0	0	0.0
2023	12.6	--	0	0.0	0	0.0
Middle						
2022	39.8	62.6	13	72.2	2,651	86.5
2023	38.3	--	14	63.6	3,139	70.5
Upper						
2022	41.4	33.8	5	27.8	415	13.5
2023	42.9	--	8	36.4	1,311	29.5
Not Available						
2022	0.0	0.0	0	0.0	0	0.0
2023	0.0	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	18	100.0	3,066	100.0
2023	100.0	--	22	100.0	4,450	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Borrower Profile

The distribution of loans reflects adequate penetration among borrowers of different income levels and businesses and farms of different sizes. This conclusion is supported by an adequate lending penetration of home mortgage lending to individuals of different income levels and small businesses and small farms of different revenue sizes. Performance under this criterion is enhanced by the bank's use of flexible lending programs and assistance provided for borrowers to obtain down payment grants.

Examiners focused on the percentage by number of small business and small farm loans to businesses and farms with GARs of \$1 million or less. They also focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers.

Home Mortgage Loans

The distribution of home mortgage loans reflects adequate penetration among borrowers of different income levels. For this conclusion, examiners placed more weight on the bank's performance in

relation to aggregate lending data.

Home mortgage lending to low-income borrowers trails the percentage of families in the assessment area of 23.8 percent in both years. However, it is important to note that 9.7 percent of all families in the assessment area have annual incomes below the poverty level. Families living below the poverty level often do not have the financial means and are unable to qualify for home mortgage credit, limiting the demand and opportunity for lending to low-income borrowers. The bank's level of lending to low-income borrowers slightly trailed aggregate lending levels in both years.

Lending performance to moderate-income borrowers in 2022 was comparable to aggregate data and exceeded demographic data and was comparable to demographic data in 2023. As mentioned previously, the assessment area is highly competitive for home mortgage lending. For instance, in 2023, 101 lenders originated 1,473 home mortgage loans to low- and moderate-income borrowers. The bank's lending levels are considered adequate given this information and the fact that the bank operates only one branch in this assessment area.

Additionally, Carrollton Bank continues to utilize flexible lending programs that promote affordable housing. The bank has been particularly active in originating loans with down payment assistance, such as the FHLB Chicago Down Payment Plus loan program. Programs like this benefit low- and moderate-income individuals. During this review period, 16 borrowers received \$112,000 in down payment assistance in this assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Springfield, IL MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	23.8	14.1	13	9.9	993	5.5
2023	23.8	13.7	7	8.0	687	4.7
Moderate						
2022	15.8	19.1	26	19.8	2,539	14.2
2023	15.8	21.8	14	15.9	1,442	10.0
Middle						
2022	20.8	18.1	23	17.6	2,937	16.4
2023	20.8	20.4	16	18.2	2,174	15.0
Upper						
2022	39.6	27.3	48	36.6	7,601	42.4
2023	39.6	27.2	33	37.5	7,492	51.7
Not Available						
2022	0.0	21.5	21	16.0	3,854	21.5
2023	0.0	16.9	18	20.5	2,684	18.5
Totals						
2022	100.0	100.0	131	100.0	17,924	100.0
2023	100.0	100.0	88	100.0	14,479	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of loans to borrowers reflects adequate penetration among businesses of different sizes. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate lending data. While business demographic data is presented in the following table as a comparable factor, such data consists of all businesses that exist within the assessment area, including businesses that may not be seeking traditional financing. Thus, aggregate lending data is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Springfield, IL MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	84.4	53.9	70	56.9	10,685	50.0
2023	86.2	--	76	57.6	9,786	43.9
>\$1,000,000						
2022	3.7	--	49	39.8	10,408	48.7
2023	3.3	--	52	39.4	12,291	55.1
Revenue Not Available						
2022	11.8	--	4	3.3	296	1.4
2023	10.5	--	4	3.0	228	1.0
Totals						
2022	100.0	100.0	123	100.0	21,389	100.0
2023	100.0	--	132	100.0	22,305	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Farm Loans

The distribution of loans to borrowers reflects adequate penetration among farms of different sizes. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate lending data. While agricultural demographic data is presented in the following table as a comparable factor, such data consists of all farms that exist within the assessment area, including farms that may not be seeking traditional financing. Thus, aggregate lending data is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small farms.

The bank's lending performance to small farms with gross annual revenues of \$1 million or less slightly exceeded aggregate lending data in 2022, the only year with data available. Lending performance in 2023 was similar.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Springfield, IL MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	97.8	59.0	12	66.7	1,349	44.0
2023	97.9	--	14	63.6	1,897	42.6
>\$1,000,000						
2022	0.8	--	6	33.3	1,717	56.0
2023	0.9	--	8	36.4	2,553	57.4
Revenue Not Available						
2022	1.4	--	0	0.0	0	0.0
2023	1.2	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	18	100.0	3,066	100.0
2023	100.0	--	22	100.0	4,450	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

Carrollton Bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs. As detailed in the following table, the bank made 84 loans using innovative or flexible lending programs in this assessment area totaling \$9.3 million. The bank made 83 loans using innovative or flexible lending programs in this assessment area totaling \$20.3 million at the previous evaluation.

Innovative or Flexible Lending Programs										
Type of Program	2021		2022		2023		2024		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Credit Builder Loan Program	2	2	21	18	15	9	12	8	50	37
Farmer Mac I	1	645	0	0	0	0	0	0	1	645
Farmer Mac II	0	0	0	0	1	300	0	0	1	300
FHA	3	582	3	380	4	610	3	386	13	1,958
Illinois Linked Deposit Lending	0	0	2	130	6	1,545	6	3,315	14	4,990
USDA	0	0	0	0	0	0	0	0	0	0
VA	1	546	2	442	0	0	2	400	5	1,388
Totals	7	1,775	28	970	26	2,464	23	4,109	84	9,318
Source: Bank Records.										

Additionally, the bank uses a variety of down-payment assistance programs that are responsive to the credit needs of the assessment area. Throughout the review period, the bank utilized \$112,000 to assist 16 low- and moderate-income borrowers qualify for homeownership in the assessment area. The majority of the down payment assistance came from the Federal Home Loan Bank of Chicago's Down Payment Plus (DPP) Program in which the bank utilized \$75,000 in DPP funds to assist 10 low- and moderate-income borrowers.

Community Development Loans

Carrollton Bank continues to be a leader in making community development loans within the Springfield, IL MSA. During the review period, 32 community development loans totaling \$114.2 million were extended in this assessment area. As a comparison, at the last CRA examination, the bank made 48 community development loans totaling \$44.6 million in this assessment area.

Community Development Lending										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021 (10/19/2021 – 12/31/2021)	0	0	0	0	0	0	4	11,579	4	11,579
2022	6	4,863	0	0	0	0	2	11,557	8	16,420
2023	5	17,182	2	715	0	0	3	19,460	10	37,357
YTD 2024	2	404	1	319	2	25,024	5	23,083	10	48,830
Total	13	22,449	3	1,034	2	25,024	14	65,679	32	114,186
<i>Source: Bank Data</i>										

The bank's community development loans are primarily to finance revitalization efforts in low- and moderate-income areas and support local affordable housing and economic development needs. Examples of the bank's community development lending performance include the following:

- Over \$6.3 million in loans to fund a sports complex in a low-income area. This project will provide and create over 100 jobs and increase visitors to area restaurants, hotels, and retail shops in the area. These funds support the revitalization of low-income neighborhoods in Springfield.
- A \$9.1 million loan for the purpose of purchasing and renovating commercial real estate in a low-income area on the east side of Springfield. This real estate will house a number of small businesses and create jobs for low- and moderate-income individuals in the area.
- Over \$14 million in funding to support the construction of 40 single-family affordable housing units in a low-income area targeted to low- and moderate-income citizens.

INVESTMENT TEST

The bank's investment performance reflects good responsiveness to credit and community development needs in the Springfield, IL MSA given its financial capacity and business focus, investment and grant activities, and availability of investment opportunities. This conclusion was determined by evaluating

the investment and grant activity, its responsiveness to credit and community development needs, and use of innovative and complex investments to support community development initiatives. For this performance test, more weight is given to the investment and grant activity criterion.

Investment and Grant Activity

The institution has a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. Carrollton Bank reported 76 qualified investments and donations during this evaluation period totaling \$9.3 million, which are detailed in the following table. This level of investment activity represents 21.3 percent of the total qualified investments made during this review period and 3.9 percent of the bank's total investments. These activities reflect an increase, by dollar, from the previous evaluation when the bank reported 126 qualified investments and donations totaling \$5.9 million during the previous evaluation period. Investment activity from the current evaluation included the purchase of four mortgage-backed securities that promote affordable housing as they are collateralized by home mortgage loans from low- and moderate-income borrowers and geographies in the assessment area. Additionally, the bank made 66 grants and donations in the assessment area, primarily for community service and economic development, targeted to low- and moderate-income individuals and geographies.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	3,947	1	250	0	0	0	0	6	4,197
2021 (10/19/2021 – 12/31/2021)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	1	1,195	0	0	0	0	0	0	1	1,195
YTD 2024	3	3,826	0	0	0	0	0	0	3	3,826
Subtotal	9	8,968	1	250	0	0	0	0	10	9,218
Qualified Grants & Donations	1	<1	62	48	3	30	0	0	66	78
Total	10	8,968	63	298	3	30	0	0	76	9,296

Source: Bank Data

Responsiveness to Credit and Community Development Needs

Carrollton Bank exhibits good responsiveness to credit and community development needs in the assessment area. The bank purchased qualified investments and made donations that support qualified community services, affordable housing, and economic development, which are needs identified in the area. Additionally, Carrollton Bank continued its collaboration with Calvary Missionary Baptist Church, which was designed to revitalize and stabilize low- and moderate-income areas in Springfield through its community service and affordable housing mission.

Community Development Initiatives

Carrollton Bank makes use of innovative and complex investments to support community development initiatives. Specifically, the bank has continued its investments in a fund that backs a Fannie Mae Pool of loans made to low- and moderate-income borrowers. It also funds a portion of IHDA's Homeowner Mortgage Revenue Bonds financing mortgages for first time homebuyers in Sangamon County. These investments are targeted towards affordable housing, which is identified as a prevalent need in the assessment area.

SERVICE TEST

Service performance reflects good responsiveness to the credit and community development needs in the Springfield, IL MSA assessment area. For this performance test, more weight is afforded to the community development services criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. As previously mentioned, the bank only operates one full-service branch office in this assessment area. Despite the lack of locations in low- and moderate-income geographies, the bank has alternative banking channels that increase accessibility for all residents in the assessment area.

Changes in Branch Locations

No branches have been opened or closed since the prior examination.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- or moderate-income geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Community Development Services

Carrollton Bank provides a relatively high level of community development services. The bank has continuously increased its level of involvement in this assessment area, as demonstrated by the 193 qualified activities during this evaluation period, an increase from 148 qualified activities at the previous evaluation. Activities provided by the bank include numerous financial literacy courses and bank employees serving on the Boards for organizations that have a focus of community service and economic development.

Community Development Services					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (10/19/2021 – 12/31/2021)	0	17	1	0	18
2022	0	60	1	0	61
2023	0	57	1	0	58
YTD 2024	0	55	1	0	56
Total	0	189	4	0	193
<i>Source: Bank Data</i>					

Examples of notable community development services include the following:

- A bank officer continues to be actively involved as a Co-Chair of the Board to a local community service organization that provides transitional housing and employment to women recovering from poverty and addiction. Participants receive classes on life skills, childcare, recovery support, and interview skills. This officer also serves as chair of a key fundraising event for the organization. The officer also serves on the housing task force, holds weekly meetings with participants, and conducts frequent financial literacy classes. The bank also engages a credit coach to provide one-on-one counseling for participants.
- A bank officer serves on an Economic and Community Development Commission that aims to stimulate the local economy, attract new business, and help existing businesses flourish.
- Bank officers and staff continue to provide numerous financial literacy classes and events throughout the assessment area targeted to low- and moderate-income individuals. A bank officer serves on the Board and is the Financial Literacy Director for an organization that provides classes and events to homeless children and their families in the local school district.

ILLINOIS NON-MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN GREENE COUNTY

Carrollton Bank has designated all of Greene County as one of its assessment areas. The bank operates one full-service location in this assessment area, which is the main office located in Carrollton, Illinois. A considerably smaller portion of the bank’s loans and deposits are from this assessment area. By number of loans, home mortgage, small business, and small farm loans originated in this area accounted for roughly five percent of the bank’s overall lending throughout the review period. As of June 30, 2024, deposits in this assessment area represented 6.2 percent of the bank’s total deposits. This level of activity is consistent with the bank’s branch presence in the area, with less weight placed on the performance in this assessment area in the overall CRA rating.

Economic and Demographic Data

Greene County is in a rural, non-metropolitan area of south-central Illinois that is sparsely populated. The county is comprised of five census tracts; two are classified as moderate-income and three are middle-income. The two moderate-income geographies are approximately eight and 12 miles from Carrollton Bank's location in this assessment area. The following table provides select demographics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Greene County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	40.0	60.0	0.0	0.0
Population by Geography	11,985	0.0	32.6	67.4	0.0	0.0
Housing Units by Geography	6,425	0.0	33.8	66.2	0.0	0.0
Owner-Occupied Units by Geography	3,865	0.0	32.1	67.9	0.0	0.0
Occupied Rental Units by Geography	1,119	0.0	37.6	62.4	0.0	0.0
Vacant Units by Geography	1,441	0.0	35.4	64.6	0.0	0.0
Businesses by Geography	761	0.0	27.2	72.8	0.0	0.0
Farms by Geography	100	0.0	14.0	86.0	0.0	0.0
Family Distribution by Income Level	3,320	19.7	22.8	20.0	37.6	0.0
Household Distribution by Income Level	4,984	24.5	16.4	19.1	39.9	0.0
Median Family Income Non-MSAs – IL		\$68,958	Median Housing Value			\$86,466
			Median Gross Rent			\$612
			Families Below Poverty Level			8.5%
Sources: 2020 U.S. Census and 2023 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 FFIEC median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the Illinois Non-MSA are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
IL NA Median Family Income (99999)				
2022 (\$76,100)	<\$38,050	\$38,050 to <\$60,880	\$60,880 to <\$91,320	≥\$91,320
2023 (\$82,300)	<\$41,150	\$41,150 to <\$65,840	\$65,840 to <\$98,760	≥\$98,760
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the borrower profile criterion compares the distribution of loans to the distribution of businesses and farms by GAR level. According to 2023 D&B data, the assessment area contains 761 non-farm businesses with the following revenue characteristics: 82.5 percent have \$1 million or less, 2.8 percent have more than \$1 million, and 14.7 percent have unknown revenues. The assessment area contains 100 farming operations, all of which reported revenues of \$1 million or less.

Service industries represent the largest portion of operations in the assessment area (26.8 percent), followed by non-classifiable establishments (21.8 percent), retail trade (12.7 percent), and agriculture (11.6 percent). In addition, 62.4 percent of area businesses have four or fewer employees, and 87.7 percent operate from a single location. These demographics indicate the potential for the banks to participate in small business and small farm lending within the assessment area.

Unemployment rates in the assessment have improved from COVID-19 pandemic levels. The following table shows how Greene County has compared to both state and national averages over the review period.

Unemployment Rates – Illinois Non-MSA AA				
	2021	2022	2023	September 2024
Area	%	%	%	%
Greene County	5.0	4.3	4.4	4.1
State of IL	6.1	4.6	4.5	5.0
National Average	5.3	3.6	3.6	4.1
<i>Source: Bureau of Labor Statistics</i>				

Competition

Competition in and around this assessment area is moderate. According to the FDIC Deposit Market Share data as of June 30, 2024, there were five financial institutions operating six full-service branches within Greene County. There is competition for loans among banks, credit unions, and non-depository mortgage lenders throughout this assessment area. The most recent aggregate lending data available shows the following: 2023 HMDA data reflects 155 home mortgage originations and purchases by 38 lenders. Aggregate small business lending data for 2022 reflects 20 reporting lenders originating 114 loans in the assessment area. Aggregate small farm lending data for 2022 reflected 11 lenders reporting 218 loans. This data indicates a moderately competitive banking market for deposits, home mortgage loans, and small business loans within the assessment area.

Community Contact

One recently conducted community contact was reviewed for this assessment area. The contact stated that affordable housing remains a need in the area as the availability of new affordable housing is very limited. The contact believes that unemployment has remained stable, although relatively high, over the past couple of years but wages have generally remained flat in the area. The need for financial literacy is prevalent in the county, especially in the younger generations

graduating high school and entering the workforce. Overall, the contact stated that local financial institutions are meeting the credit needs of the area.

Credit and Community Development Needs and Opportunities

The needs of this assessment area differ from the bank's other assessment areas due to its sparse population and rural nature. Agricultural lending is more predominant in this area. There are limited opportunities for community development loans, investments, and services in this area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN GREENE COUNTY

LENDING TEST

Carrollton Bank's lending performance is adequate when considering the assessment area credit needs and the bank's financial capacity and business focus. The bank's performance under the borrower profile criterion primarily supports this conclusion and carried more weight in this assessment area since there are only two moderate-income and no low-income geographies.

Lending Activity

As previously mentioned, the bank continues to generate a considerably smaller portion of its loans and deposits from this assessment area, which is consistent with the bank's presence in this market. Comparing the bank's lending market share to its deposit market share allows for an assessment of the bank's lending relative to its capacity. Carrollton Bank is consistently a leader in lending among all three product lines throughout the review period. Based on the most recent market share data available, Carrollton Bank's home mortgage lending, by number of loans, ranked 1st among 38 lenders based on 2023 HMDA data. Based on 2022 market share data, the bank ranked 3rd for small business lending out of 20 lenders and 1st for small farm lending out of 11 reporting lenders in the assessment area. The bank's reported deposits from this assessment area resulted in a market share of 50.0 percent, the highest in the county.

Geographic Distribution

Carrollton Bank's geographic distribution of loans reflects adequate penetration throughout the assessment area when considering performance context. The conclusions for home mortgage, small business, and small farm lending support this conclusion. It should be noted that the physical location of Carrollton's office has a large impact on its ability to effectively penetrate the entire area for all three product lines. As previously mentioned, the moderate-income geographies are eight and 12 miles away from Carrollton's main office. These two geographies are home to three offices of competing financial institutions and in close proximity to the nearby town of Jacksonville, IL, which has several financial institutions.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout this assessment area when considering performance context such as the bank's location, and competition in the area. As shown in the following table, lending levels significantly trailed area demographics

and aggregate lending performance in the moderate-income tracts in both 2022 and 2023. In 2022, the bank ranked third among top lenders in these tracts in 2022. However, the bank held the highest market share by number of home mortgage loans in these tracts in 2023. It is important to note that a financial institution that consistently holds top market share positions for home lending in the county has an office in one of the moderate-income tracts. In addition, there is also competition from lenders in nearby communities.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Greene County						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2022	32.1	25.8	5	8.2	522	9.0
2023	32.1	31.0	9	20.9	474	12.3
Middle						
2022	67.9	74.2	56	91.8	5,267	91.0
2023	67.9	69.0	34	79.1	3,371	87.7
Totals						
2022	100.0	100.0	61	100.0	5,789	100.0
2023	100.0	100.0	43	100.0	3,845	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The bank's performance reflects adequate penetration considering aggregate performance and competition in the assessment area. No small business loans were originated in moderate-income tracts in 2022, and one small business loan was originated in a moderate-income tract in 2023. This performance is not unreasonable given the bank's business focus in this area, the level of businesses in these areas with borrowing needs, and competition. As detailed in the following table, aggregate lending performance trails the percentage of businesses in the area. It is important to note that according to peer data, the lending in moderate-income tracts only included 19 loans in 2022. This limited level of lending and competition in these tracts support the conclusion that the bank's level of lending is not unreasonable.

Geographic Distribution of Small Business Loans						
Assessment Area: Greene County						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2022	27.3	17.1	0	0.0	0	0.0
2023	27.2	--	1	5.6	275	7.6
Middle						
2022	72.7	82.9	16	100.0	3,394	100.0
2023	72.8	--	17	94.4	3,362	92.4
Totals						
2022	100.0	100.0	16	100.0	3,394	100.0
2023	100.0	--	18	100.0	3,637	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration throughout this assessment area when considering performance context such as the bank's location, and competition in the area. Agriculture is prevalent in this area, but not in the moderate-income geographies. The bank did not originate any small farm loans in moderate-income tracts in both 2022 and 2023. However, it is important to note that there are only 14 farming operations in these tracts. These operations are several miles from Carrollton and have financial institutions in closer proximity. Additionally, the aggregate lending performance of less than one percent in these tracts is indicative of the challenges that lenders face making small farm loans in these geographies.

Geographic Distribution of Small Farm Loans						
Assessment Area: Greene County						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2022	11.7	0.5	0	0.0	0	0.0
2023	14.0	--	0	0.0	0	0.0
Middle						
2022	88.3	99.5	135	100.0	17,484	100.0
2023	86.0	--	109	100.0	13,230	100.0
Totals						
2022	100.0	100.0	135	100.0	17,484	100.0
2023	100.0	--	109	100.0	13,230	100.0
<i>Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of loans reflects excellent penetration among borrowers of different income levels and businesses and farms of different sizes. This conclusion is supported by an excellent lending penetration of home mortgage lending to individuals of different income levels and small farms of different revenue sizes and adequate lending to small businesses of different revenue sizes.

Examiners focused on the percentage by number of small business and small farm loans to businesses and farms with GARs of \$1 million or less. They also focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners focused on the comparison to aggregate data, as it better reflects the demand and opportunities for originating loans in the assessment area.

Home Mortgage Loans

The distribution of home mortgage loans among borrowers of different incomes reflects excellent penetration among individuals of different income levels, in particular low- and moderate-income borrowers. This conclusion is supported by lending performance, which is detailed in the following table, and the bank's leadership positions lending to low- and moderate-income borrowers in the market.

Performance among low-income borrowers for 2022 significantly trails the percentage of low-income families in the assessment area; however, 8.5 percent of all families in the assessment area have annual incomes below the poverty level. Families living below the poverty level often do not have the financial means and are unable to qualify for home mortgage credit, limiting the demand and opportunity for lending to low-income borrowers. In 2022, the bank ranked third among top lenders in lending to low-income borrowers, with the top lender originating five loans. In 2023, performance among low-income borrowers exceeded both the aggregate and demographic data. Additionally, the bank held the highest market share among lenders, with the second ranked institution originating only four loans to low-income borrowers.

Lending to moderate-income borrowers slightly trailed aggregate and demographic data in 2022 but exceeded both aggregate and demographic data in 2023. Carrollton Bank ranked first for lending to moderate-income borrowers in the assessment areas in both years.

The bank continues to utilize flexible lending programs that promote affordable housing, and it has been particularly active in originating loans with down-payment assistance. Programs such as this particularly benefit low- and moderate-income individuals. During this review period, 11 borrowers received \$65,000 in down payment assistance in this assessment area.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Greene County						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	19.7	13.1	3	4.9	227	3.9
2023	19.7	23.2	11	25.6	637	16.6
Moderate						
2022	22.8	24.4	12	19.7	776	13.4
2023	22.8	25.8	14	32.6	958	24.9
Middle						
2022	20.0	24.4	17	27.9	1,654	28.6
2023	20.0	23.2	10	23.3	1,064	27.7
Upper						
2022	37.6	22.1	21	34.4	2,416	41.7
2023	37.6	17.4	8	18.6	1,186	30.8
Not Available						
2022	0.0	16.0	8	13.1	716	12.4
2023	0.0	10.3	0	0.0	0	0.0
Totals						
2022	100.0	100.0	61	100.0	5,789	100.0
2023	100.0	100.0	43	100.0	3,845	100.0
Sources: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Business Loans

The distribution of small business loans reflects adequate penetration among businesses of different sizes. The demographic data consists of the number of businesses that exist in the market and is not necessarily representative of the demand for lending; therefore, aggregate data better demonstrates demand and opportunities for businesses with GARs of \$1 million or less. Carrollton Bank's lending performance was comparable to aggregate lending data in 2022, the only year with data available. The bank held the third highest market share among reporting lenders in the assessment area. Lending performance was similar in 2023.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Greene County						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	81.9	73.0	11	68.8	752	22.2
2023	82.5	--	12	66.7	808	22.2
>\$1,000,000						
2022	3.0	--	5	31.3	2,642	77.8
2023	2.8	--	6	33.3	2,829	77.8
Revenue Not Available						
2022	15.2	--	0	0.0	0	0.0
2023	14.7	--	0	0.0	0	0.0
Totals						
2022	100.0	100.0	16	100.0	3,394	100.0
2023	100.0	--	18	100.0	3,637	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Small Farm Loans

The distribution of borrowers reflects excellent penetration to farm customers of different sizes and demonstrates Carrollton Bank's commitment to serving the credit needs of small farms in its assessment area. As detailed in the following table, all the farms that reported income had GARs of \$1 million or less. Aggregate lending levels for farming operations this size were lower than area demographics, which is indicative of limited lending opportunities. The bank's lending levels exceeded aggregate lending data in 2022, the only year with data available. Lending levels were similar in 2023.

Carrollton Bank continues to offer guaranteed-loan programs with flexible guidelines for smaller operations and farmers that are new to the industry, which illustrates the bank's efforts in meeting the needs of the areas smallest farming operations.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Greene County						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2022	100.0	74.3	125	92.6	15,275	87.4
2023	100.0	--	95	87.2	10,580	80.0
>\$1,000,000						
2022	0.0	--	10	7.4	2,209	12.6
2023	0.0	--	12	11.0	2,418	18.3
Revenue Not Available						
2022	0.0	--	0	0.0	0	0.0
2023	0.0	--	2	1.8	232	1.8
Totals						
2022	100.0	100.0	135	100.0	17,484	100.0
2023	100.0	--	109	100.0	13,230	100.0
Sources: 2022 & 2023 D&B Data; Bank Data; 2022 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%						

Innovative or Flexible Lending Practices

Carrollton Bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs. The bank made 90 loans using innovative or flexible lending programs in this assessment area totaling \$11.2 million. This is a decrease from the previous evaluation where the bank made 231 loans using innovative or flexible lending programs in this assessment area totaling over \$53 million.

Innovative or Flexible Lending Programs										
Type of Program	2021		2022		2023		2024		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Credit Builder Loan Program	0	0	10	5	10	5	11	6	31	16
Farmer Mac I	2	944	5	2,099	0	0	0	0	7	3,043
Farmer Mac II	0	0	0	0	4	530	5	1,951	9	2,481
FHA	1	133	0	0	0	0	2	245	3	378
Illinois Linked Deposit Lending	1	164	5	226	24	3,670	6	719	36	4,779
USDA	3	198	0	0	0	0	0	0	3	198
VA	0	0	0	0	0	0	1	295	1	295
Totals	7	1,439	20	2,330	38	4,205	25	3,216	90	11,190
Source: Bank Records										

Additionally, the bank uses a variety of down-payment assistance programs that are responsive to the credit needs of the assessment area. Throughout the review period, the bank utilized \$65,000 to assist 11 low- and moderate-income borrowers qualify for homeownership in the assessment area. The majority of the down payment assistance came from the IHDA program in which the bank utilized \$45,000 in funds to assist eight low- and moderate-income borrowers.

Community Development Loans

The bank did not originate any community development loans in this assessment area during the current evaluation period. The lack of community development loans is reasonable given the limited opportunities in the area. As a comparison, the bank originated four community development loans totaling \$11.6 million at the previous evaluation, with one loan being a PPP loan.

INVESTMENT TEST

The bank's investment performance reflects good responsiveness to credit and community development needs in the area that is consistent with overall performance. For this performance test, more weight is given the investment and grant activity criterion.

Investment and Grant Activity

Carrollton Bank has a significant level of qualified investments and grants within this assessment area. The bank made or held six qualified investments totaling \$1.3 million and 41 qualified grants or donations totaling \$42,000 in this assessment during the current evaluation period. This performance is similar, by number, to the previous evaluation when the bank held six qualified investments and 42 grants or donations. Investment and donations, by dollar, are more than double the previous evaluation when the bank made or held \$597,000 in qualified investments and donations. Investment activity and donations from the current review period primarily supported a local school district that has a majority of students eligible to receive free or reduced-price lunches. Specifically, the bank purchased four bonds totaling \$625,000 in which the funds were used for building improvements. The bank also purchased a \$499,000 bond that sponsors low-income housing, historic, and solar tax credit investment funds in the assessment area. Additionally, donations were provided to support food programs in local school districts, vocational programs, and a financial literacy program.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	1	160	0	0	0	0	1	160
2021 (10/19/2021 – 12/31/2021)	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023	0	0	4	625	0	0	0	0	4	625
YTD 2024	1	499	0	0	0	0	0	0	1	499
Subtotal	1	499	5	785	0	0	0	0	6	1,284
Qualified Grants & Donations	1	<1	40	42	0	0	0	0	41	42
Total	2	499	45	827	0	0	0	0	47	1,326
<i>Source: Bank Data</i>										

Responsiveness to Credit and Community Development Needs

Carrollton Bank exhibits good responsiveness to credit and community development needs in the assessment area. The bank made donations that support qualified community services. In addition, the bank purchased qualified investments supporting community service, which was identified as a need in this assessment area.

Community Development Initiatives

The institution occasionally uses innovative or complex investments to support community development initiatives. The grants noted above are useful and help promote community development; however, they are generally not innovative or complex by nature.

SERVICE TEST

The service performance reflects good responsiveness to the credit and community development needs in this assessment area. For this criterion, the community development services performance carries the most weight.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the assessment area, including moderate-income geographies. As previously mentioned, the bank operates only one full-service branch office in Greene County that is located eight and 12 miles, respectively, from the two moderate-income geographies.

Changes in Branch Locations

No branches were opened or closed in this assessment area since the prior examination.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- or moderate-income geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the assessment area.

Community Development Services

Carrollton Bank provides a high level of community development services throughout the assessment area. Bank officers and staff provided 50 qualified community development services during the current review period, an increase from the previous evaluation, during which 41 qualified services were provided. The following table details the number of qualified services provided by year and type.

Community Development Services					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2021 (10/19/2021 – 12/31/2021)	0	9	2	0	11
2022	0	9	4	0	13
2023	0	12	4	0	16
YTD 2024	0	8	2	0	10
Total	0	38	12	0	50
<i>Source: Bank Data</i>					

Examples of notable community development services include the following:

- Carrollton Bank has continued its collaboration with the District One Foundation, an organization formed in 1993 to benefit the Carrollton Community Unit School District where a majority of students qualify for free or reduced school lunches.
- A bank officer serves on the Board of Directors for the Hawks Power Pack Program, a foundation that provides weekend meals for low-income children in the Carrollton Community Unit School District.
- The bank also continues to have bank officers serve as Board members of local economic development organizations that assist businesses in the area as well as bring in new business to the area. This was identified as a prevalent need in the assessment area by a community contact.

APPENDICES

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
ILLINOIS	Low Satisfactory	High Satisfactory	High Satisfactory	High Satisfactory
ST. LOUIS, MO-IL MSA	Outstanding	Outstanding	Outstanding	Outstanding

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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

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

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

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

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

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

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

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

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

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

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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