

PUBLIC DISCLOSURE

September 2, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**1NB Bank
RSSD #614948**

**891 Fairfax Street
Carlyle, Illinois 62231**

Federal Reserve Bank of St. Louis

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

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

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INSTITUTION’S COMMUNITY REINVESTMENT ACT RATING

1NB Bank is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

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

SCOPE OF EXAMINATION

The Federal Financial Institutions Examination Council’s (FFIEC’s) Interagency Examination Procedures for Small Institutions were utilized to evaluate the bank’s CRA performance. The evaluation considered CRA performance context, including the bank’s asset size, financial condition, business strategy, and market competition, as well as AA demographic and economic characteristics and credit needs. Lending performance was assessed within the bank’s AA.

The bank’s lending performance was evaluated using small farm and consumer motor vehicle loans, as these loan categories are considered the bank’s core business lines based on lending volume for the review period. The following table includes the corresponding time period for each performance category.

Performance Criterion	Time Period
LTD Ratio	June 30, 2020 – June 30, 2025
AA Concentration	January 1, 2023 – December 31, 2023
Geographic Distribution of Loans	
Loan Distribution by Borrower’s Profile	
Response to Written CRA Complaints	April 20, 2020 – September 1, 2025

Lending Test analyses often entail comparisons of bank performance to AA demographics and the performance of other lenders, based on Home Mortgage Disclosure Act (HMDA) and CRA aggregate lending data. Unless otherwise noted, AA demographics are based on 2020 American

Community Survey data, and certain farm demographics are based on 2023 Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an AA. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Two other banks were identified as similarly situated peers, with asset sizes ranging from \$216.3 million to \$499.5 million as of June 30, 2025.

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

DESCRIPTION OF INSTITUTION

1NB Bank is an intrastate community bank headquartered in Carlyle, Illinois. The bank's characteristics include:

- The bank is a wholly owned subsidiary of First National Bancorporation in Carlyle, Inc., Carlyle, Illinois.
- The bank has total assets of \$293.1 million as of June 30, 2025. That represents an increase of 45.0 percent since the last evaluation.
- In addition to its main office in Carlyle, the bank has a second location in Carlyle and one office in both Aviston and Breese. The bank also operates a loan production office (LPO) in Cape Girardeau, Missouri, which opened in September 2024.
- All four branches are full-service facilities with cash dispensing-only automated teller machines on site. None of the bank's branches are located in LMI geographies.
- As shown in the following table, the bank's primary business focus is agricultural lending, followed by commercial lending. Furthermore, while loans to individuals do not represent a significant amount based on the dollar amount of lending, consumer motor vehicle lending does represent a significant amount based on the number of loans originated during the review period.

Composition of Loan Portfolio as of June 30, 2025		
Loan Type	Amount \$ (000s)	Percentage of Total Loans (%)
Farmland	55,831	31.9
Commercial Real Estate	34,611	19.8
Commercial and Industrial	23,751	13.6
1-4 Family Residential	22,153	12.7
Farm Loans	11,181	6.4
Construction and Development	10,956	6.3
Loans to Individuals	7,221	4.1
Multifamily Residential	6,548	3.7
Total Other Loans	2,526	1.4
TOTAL	174,778	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Outstanding under the CRA at its April 20, 2020 performance evaluation by the Office of the Comptroller of the Currency. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

DESCRIPTION OF ASSESSMENT AREA

The bank’s Clinton County AA consists of the entirety of Clinton County and the northeast corner of Washington County. The AA is a part of the St. Louis, Missouri-Illinois metropolitan statistical area (St. Louis MSA) (see Appendix A for an AA map).

- At the last evaluation, the bank’s AA was composed solely of Clinton County. Subsequently, the boundary was expanded to include the northeast census tract of Washington County to account for a significant amount of lending activity.
- The bank operates all four of its branches in the AA. Since the last evaluation, the bank opened an LPO in Cape Girardeau, Missouri.
- According to the June 30, 2024 Federal Deposit Market Share report, the bank has a market share of 12.9 percent, which ranks 3rd out of 18 FDIC-insured depository institutions operating in the AA.
- According to the U.S. Department of Labor, Bureau of Labor Statistics, the three largest nongovernmental industries in the AA, determined by number of employees, are retail trade (16.6 percent), healthcare and social assistance (11.3 percent), and construction (10.0 percent).
- One community contact interview was conducted with an individual from a small business development center.

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown-	TOTAL
Census Tracts	0	3	6	1	0	10
	0.0%	30.0%	60.0%	10.0%	0.0%	100.0%
Family Population	0	1,994	7,056	1,516	0	10,566
	0.0%	18.9%	66.8%	14.3%	0.0%	100.0%

- As shown above, 30.0 percent of the census tracts in the AA are LMI geographies, with 18.9 percent of the family population residing in these tracts. The LMI census tracts are concentrated in the eastern portion of Clinton County. While the AA does not include any low-income geographies, the number of moderate-income census tracts increased from one to three since the last evaluation.

Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
Assessment Area	52,386	50,660	-3.3
St. Louis MSA	2,801,914	2,820,253	0.7
Illinois	12,873,761	12,812,508	-0.5

*Source: 2020 U.S. Census Bureau: Decennial Census
2011–2015 U.S. Census Bureau: American Community Survey*

- The population of the AA declined at a higher rate (3.3 percent) than the state of Illinois (0.5 percent), while the population of the St. Louis MSA increased slightly from 2015 to 2020 (0.7 percent).

Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
Assessment Area	82,633	81,314	-1.6
St. Louis MSA	77,265	84,758	9.7
Illinois	78,169	86,251	10.3

*Source: 2011–2015 U.S. Census Bureau: American Community Survey
2016–2020 U.S. Census Bureau: American Community Survey*
Note: Median family incomes have been inflation-adjusted and are expressed in 2020 dollars.

- The median family income for the AA declined by 1.6 percent, while the St. Louis MSA and the state of Illinois experienced increases.

Unemployment Rates (%)					
Area	2020	2021	2022	2023	2024
Assessment Area	6.3	3.9	3.3	3.5	3.5
St. Louis MSA	6.8	4.5	2.9	3.3	3.7
Illinois	9.3	6.1	4.6	4.5	5.0

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- The unemployment rates in the AA, MSA, and state have remained consistent during much of the review period.

- The unemployment rates in the AA and MSA have been consistently lower than the state of Illinois throughout most of the review period.

Housing Cost Burden (%)						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low-Income	Moderate-Income	All Renters	Low-Income	Moderate-Income	All Owners
Assessment Area	69.3	7.4	33.4	48.0	18.1	12.9
St. Louis MSA	75.2	25.8	40.8	61.0	26.9	16.4
Illinois	73.6	34.6	41.8	67.0	34.3	20.8

*Cost burden is housing cost that equals 30 percent or more of household income.
Source: 2017–2021 U.S. Department of Housing and Urban Development (HUD): Comprehensive Housing Affordability Strategy*

- A smaller percentage of low-income renters in the AA are cost burdened than those in the St. Louis MSA and the state of Illinois, while an even smaller percentage of moderate-income renters are cost burdened in the AA than in the MSA and the state.
- Both low- and moderate-income homeowners are less cost burdened in the AA than in the MSA and the state.
- The community contact noted that areas of concern for residents in the AA include the cost of living and the availability of affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

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

Loan-to-Deposit (LTD) Ratio

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

Comparative LTD Ratios June 30, 2020 – June 30, 2025			
Institution	Location	Asset Size \$ (000s)	LTD Ratio (%)
			21-Quarter Average
1NB Bank	Carlyle, Illinois	293,075	64.0
Similarly Situated Institutions			
Regional Banks	Breese, Illinois	499,534	64.5
	Hoffman, Illinois	216,352	50.1

The bank’s LTD ratio is reasonable. As shown in the preceding table, the bank’s LTD ratio was similar to one of its regional peers and exceeded the other. The bank’s quarterly LTD ratio over the review period was relatively stable, with a low of 53.0 percent in the first quarter of 2023 and a high of 77.3 percent in the second quarter of 2020. The peer institutions also displayed generally stable ratios.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	# %	\$ (000s)	\$ %	#	# %	\$ (000s)	\$ %
Small Farm	21	67.7	2,433	60.2	10	32.3	1,610	39.8
Consumer Motor Vehicle	23	85.2	793	90.2	4	14.8	87	9.8
TOTAL LOANS	44	75.9	3,226	65.5	14	24.1	1,697	34.5
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

A majority of the bank’s loans by number and dollar are originated inside the AA. As shown in the table above, 75.9 percent of the total loans were made inside the AA, accounting for 65.5 percent of the dollar volume of total loans.

Loan Distribution by Borrower’s Profile

This performance criterion evaluates the bank’s lending to borrowers of different income levels and farms of different revenue sizes. The bank’s lending has an excellent distribution among individuals of different income levels and farms of different revenue sizes.

Small Farm Lending

The borrower distribution of small farm lending is reasonable. As displayed in the following table, the bank’s lending to small farms with revenues of \$1 million or less (71.4 percent) exceeds the aggregate (46.4 percent), while trailing the demographic comparator (97.5 percent).

Distribution of 2023 Small Farm Lending by Revenue Size of Farms								
Assessment Area: Clinton County								
Farm Revenue and Loan Size		Count			Dollars			Total Farms
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	
Farm Revenue	\$1 Million or Less	15	71.4	46.4	1,546	63.5	35.3	97.5
	Over \$1 Million/ Unknown	6	28.6	53.6	887	36.5	64.7	2.5
	TOTAL	21	100.0	100.0	2,433	100.0	100.0	100.0
Loan Size	\$100,000 or Less	12	57.1	75.3	556	22.9	25.4	
	\$100,001–\$250,000	7	33.3	17.5	1,145	47.1	37.2	
	\$250,001–\$500,000	2	9.5	7.2	732	30.1	37.5	
	Over \$500,000	0	0.0	0.0	0	0.0	0.0	
	TOTAL	21	100.0	100.0	2,433	100.0	100.0	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	11	73.3		521	33.7	
		\$100,001–\$250,000	2	13.3		293	19.0	
		\$250,001–\$1 Million	2	13.3		732	47.3	
		Over \$1 Million	0	0.0		0	0.0	
		TOTAL	15	100.0		1,546	100.0	

*Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

Consumer Motor Vehicle

The borrower distribution of consumer motor vehicle lending is excellent. The bank’s lending to low-income borrowers (34.8 percent) exceeds the percentage of low-income households in the AA (21.9 percent). Similarly, the bank’s lending to moderate-income borrowers (30.4 percent) exceeds the household comparator (16.0 percent).

Distribution of 2023 Consumer Motor Vehicle Lending by Borrower Income Level					
Assessment Area: Clinton County					
Borrower Income Level	Bank Loans				Households by Household Income %
	#	# %	\$ (000s)	\$ %	
Low	8	34.8	115	14.5	21.9
Moderate	7	30.4	450	56.7	16.0
Middle	5	21.7	93	11.7	19.8
Upper	3	13.0	136	17.1	42.4
Unknown	0	0.0	0	0.0	0.0
TOTAL	23	100.0	794	100.0	100.0

*Source: 2023 FFIEC Census Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. While the bank’s AA does not include any low-income census tracts, the AA does contain three moderate-income census tracts, which constitute 30.0 percent of the AA’s census tracts. The bank’s geographic distribution of loans reflects reasonable distribution among the different census tracts and dispersion throughout the AA. The bank’s performance was contextualized by community contact information noting that the rural nature of the area limits access to financial institutions.

Small Farm Lending

The geographic distribution of small farm lending is poor. While the bank does not have any low-income census tracts in its AA, its lending performance to small farms in the moderate-income census tracts (9.5 percent) trails both the aggregate (26.8 percent) and the demographic figure (20.6 percent).

Distribution of 2023 Small Farm Lending by Income Level of Geography							
Assessment Area: Clinton County							
Tract Income Levels	Count			Dollar			Total Farms
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ (000s)	\$ %	\$ %	
Low	0	0.0	0.0	0	0.0	0.0	0.0
Moderate	2	9.5	26.8	393	16.2	21.7	20.6
Middle	19	90.5	69.1	2,040	83.8	76.2	72.0
Upper	0	0.0	3.1	0	0.0	2.1	7.4
Unknown	0	0.0	1.0	0	0.0	0.1	0.0
TOTAL	21	100.0	100.0	2,433	100.0	100.0	100.0

*Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016–2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.*

Consumer Motor Vehicle

The geographic distribution of consumer motor vehicle lending is excellent. The bank’s distribution of consumer motor vehicle loans to moderate-income census tracts (30.4 percent) exceeds the demographic comparator (20.2 percent).

Distribution of 2023 Consumer Motor Vehicle Lending by Income Level of Geography					
Assessment Area: Clinton County					
Geographic Income Level	Bank Loans				Households %
	#	# %	\$ (000s)	\$ %	
Low	0	0.0	0	0.0	0.0
Moderate	7	30.4	190	24.0	20.2
Middle	13	56.5	546	68.9	65.2
Upper	3	13.0	57	7.2	14.5
Unknown	0	0.0	0	0.0	0.0
TOTAL	23	100.0	793	100.0	100.0
<i>Source: 2023 FFIEC Census Data 2016–2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.</i>					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

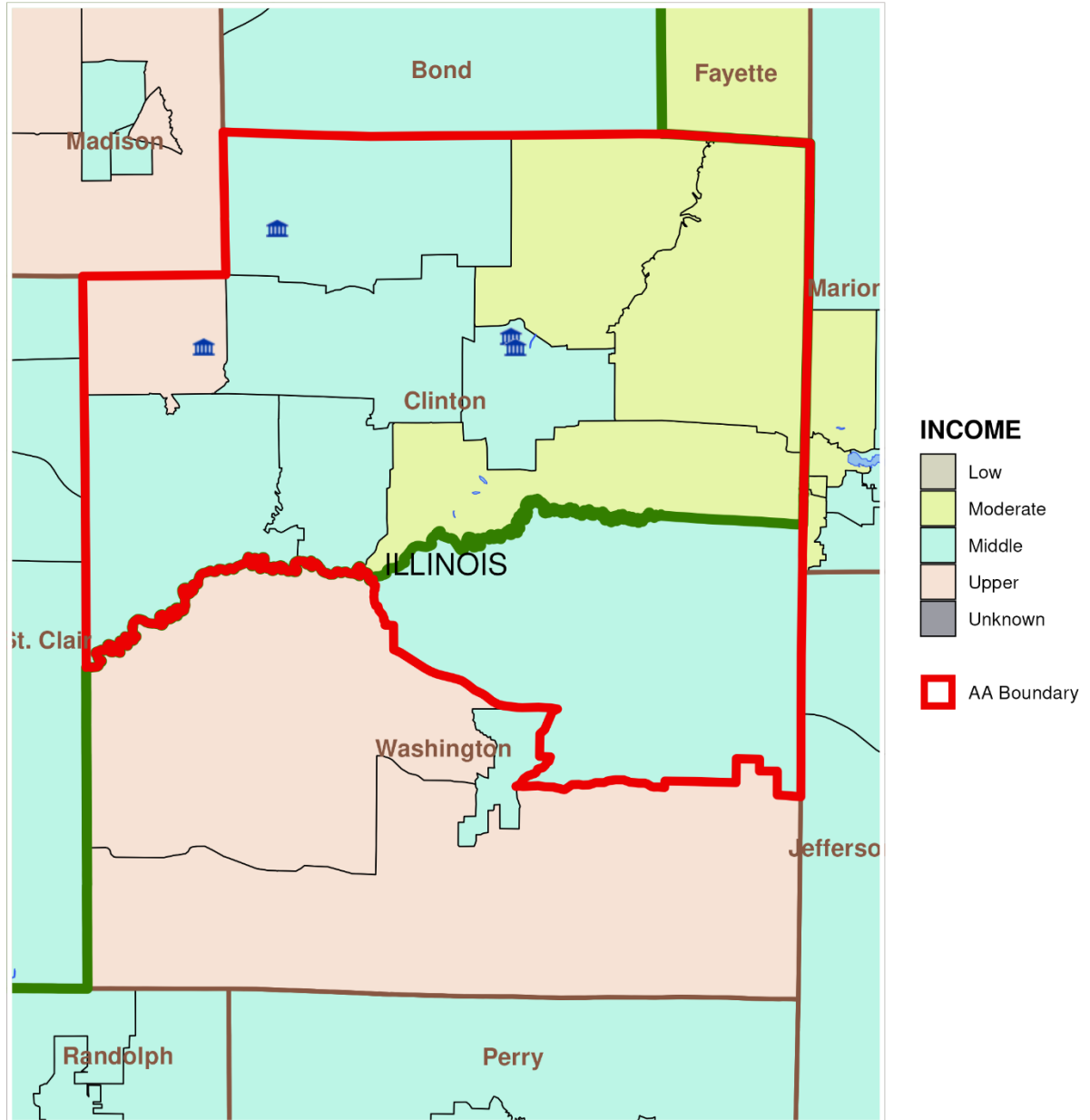
Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent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

APPENDIX A – MAP OF THE ASSESSMENT AREA

Clinton County

1NB Bank - Carlyle, IL 2025

Clinton County AA 2023 - Tract Income



APPENDIX B – GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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