

PUBLIC DISCLOSURE

August 4, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Peoples Bank & Trust
Certificate Number: 17320

200 South Locust Street
Pana, Illinois 62557

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

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

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

The Lending Test is rated Satisfactory.

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its small business and small farm loans in the assessment areas.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans reflects, given the product lines offered by the institution, reasonable penetration among businesses and farms of different sizes.
- The institution has not received any CRA-related complaints since the previous evaluation.

The Community Development Test is rated Satisfactory.

- The institution's community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate. Examiners considered the institution's capacity and the need and availability of such opportunities for community development in the institution's assessment areas.

DESCRIPTION OF INSTITUTION

Background and Operations

Peoples Bank & Trust (PB&T) is a \$592.2 million financial institution headquartered in Pana, Illinois. The institution is wholly owned by Peoples First Bancshares, Inc., a one-bank holding company located in Pana, IL. PB&T has one affiliate, Peoples Assistance Company, which assists with application packages for the United States Department of Agriculture (USDA) Section 504 Home Repair Program. The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated August 11, 2022, based on Interagency Intermediate Small Institution procedures.

PB&T operates ten full-service brick and mortar locations, two limited-service facilities and two drive-up facilities throughout central Illinois. In May 2024, PB&T acquired Arcola First Bank which added three branches in Arthur (upper-income), Arcola (middle-income) and Tuscola (upper-income). The bank offers a variety of deposit services including checking, savings, money market deposit accounts and certificates of deposits. The bank also offers investment advisory and trust services. Alternative banking services include internet and mobile banking, bill pay, person-to-person payment services and all branches have Automated Teller Machines (ATMs). PB&T employs five bi-lingual employees who are able to assist Spanish speaking customers.

The bank also offers a variety of credit products for businesses and consumers. The primary business focus remains commercial and farm lending, as confirmed by bank management and the bank's lending activity during the evaluation period. Credit products include real estate loans (for residential and business purposes), commercial loans, agricultural loans and consumer loans (automobile and personal purposes). PB&T uses flexible lending practices in order to serve its assessment areas credit needs through federally sponsored loan programs. PB&T is a USDA preferred lender and was awarded the 2024 Rising Star in Rural Lending.

A description of the bank's flexible lending programs are detailed below:

SBA (504): Guaranteed by the U.S. Small Business Administration, an SBA 504 loan is a small business loan that can be used to promote business growth and job creation, including the purchase or construction of existing buildings or land, new facilities, long-term machinery and equipment or improvements or modernization to existing facilities.

SBA (7a): Guaranteed by the U.S. Small Business Administration, an SBA 7(a) loan is a small business loan that can help cover startup costs, working capital needs, expansions, and real estate purchases as examples. This program offers longer repayment periods with a very wide range of loan amounts.

USDA Business and Industry (B&I), Rural Development (RD) and Rural Energy for America Program (REAP): Guaranteed loan programs that provide lending opportunities for start-up or undercapitalized companies with flexible repayment terms. The programs improve the economic health of rural communities by increasing access to business capital and providing affordable financing for businesses in eligible rural areas. REAP loans provide guaranteed loan financing to

agricultural producers and small rural businesses for renewable energy systems or to make energy efficiency improvements.

USDA Farm Service Agency (FSA) Loan Guarantee Programs: Provides financing for operating, equipment, and real estate loans along with Beginning Farmer Loan Programs. These programs help family farmers and ranchers obtain loans from USDA-approved commercial lenders on reasonable terms to buy farmland or finance agricultural production.

Peoples Assistance Company: This bank affiliate prepares loan application packages for the USDA Section 504 Home Repair Program. This program provides loans to very low-income homeowners to repair, improve, or modernize their homes, or provides grants to the elderly, very low-income homeowners to remove health and safety hazards.

USDA: Available through the USDA Rural Housing Service, the program requires no down payment. Qualified borrowers may receive a loan amount equal to 100 percent of the property's appraised value. The property must be located in an eligible rural area, and the program has income restrictions based on the location of the property.

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 to provide low interest loans to qualified borrowers in Illinois.

Federal Home Loan Bank (FHLB) Down Payment Plus: FHLB's Down Payment Plus provides down payment and closing cost assistance for income-eligible homebuyers through forgivable grants paid on a monthly basis over a five-year retention period. Grant amounts are the lesser of \$10,000 or 25 percent of the first mortgage loan amount. Eligible homebuyers must complete pre-purchase homebuyer education and counseling by a HUD-approved agency or by an online provider approved by FHLBC.

Ability and Capacity

As of March 31, 2025, PB&T reported total assets of \$592.2 million, total loans of \$397.9 million, total securities of \$153.8 and total deposits of \$477.5 million. PB&T experienced organic growth and through acquisition in total assets of 2.0 percent since the previous CRA evaluation, while total loans grew 14.7 percent.

The loan portfolio, as of March 31, 2025, Consolidated Report of Condition and Income (Call Report), is shown on the following table.

Loan Portfolio Distribution as of 03/31/2025		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	1,242	0.3
Secured by Farmland	76,238	19.2
Secured by 1-4 Family Residential Properties	33,572	8.4
Secured by Multi-family (5 or more) Residential Properties	16,637	4.2
Secured by Non-farm Non-Residential Properties	66,287	16.6
Total Real Estate Loans	193,976	48.7
Commercial and Industrial Loans	139,476	35.1
Agricultural Production and Other Loans to Farmers	52,728	13.3
Consumer	8,213	2.1
Other	3,479	0.9
Total Loans	397,872	100.0
<i>Source: Reports of Condition and Income. Due to rounding, totals may not equal 100.0%.</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. PB&T designated three assessment areas throughout central Illinois. The assessment areas are consistent with the requirements of the CRA as they consist of contiguous, whole geographies where branch offices are located, and do not arbitrarily exclude any low- or moderate-income geographies or reflect illegal discrimination and otherwise meet the requirements of the CRA regulation. The composition of each assessment area and branch locations is included in the following table.

Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Illinois Non-MSA	Christian, Coles, Douglas, Effingham, Fayette, Greene, Montgomery, Morgan, Moultrie, Shelby	76	12
Springfield, IL MSA	Partial County: Sangamon	8	1
St. Louis MO-IL MSA	Macoupin	13	1
Totals		97	14

A more detailed discussion of each assessment area, including economic and demographic data, competition and community contacts, are discussed in detail in subsequent sections of this evaluation.

SCOPE OF EVALUATION

General Information

Examiners used the Interagency Intermediate Small Bank Examination Procedures to evaluate the bank's CRA performance. This evaluation covers the period from the prior CRA evaluation dated August 11, 2022, to the current evaluation dated August 4, 2025. These procedures include two tests: The CRA Small Bank Lending Test and Community Development Test. Refer to the Appendix for the components of each test. Banks must achieve at least a "Satisfactory" rating under each test to obtain an overall Satisfactory rating. This evaluation does not include any lending activity performed by affiliates.

For purposes of this evaluation, full-scope reviews were conducted in the Illinois Non-MSA and Springfield MSA assessment areas. A limited-scope review was conducted in the St. Louis, MO-IL MSA assessment area since it does not include a majority of the bank's loan or deposit activity and a full-scope review was performed at the previous evaluation. Performance in the Illinois Non-MSA assessment area was given the most weight as it reflects the substantial majority of the bank's loan and deposit activity and branches.

Assessment Area Weighting			
Assessment Area	% of Loans by Dollar Volume	% of Deposits by Dollar Volume	% of Branches by Number
IL Non-MSA	96.1	97.3	85.8
Springfield MSA	3.3	2.4	7.1
St Louis, MO-IL MSA	0.6	0.3	7.1
Totals	100.0	100.0	100.0
<i>Sources: Bank Data; FDIC Summary of Deposits as of 06/30/2024</i>			

Activities Reviewed

Examiners determined that the bank's major product lines are commercial and agriculture loans. This conclusion considered the bank's business strategy, and the number and dollar volume of loans originated during the evaluation period. Performance for small business lending carried slightly more weight than small farm lending based on the number of originations during the review period and composition of the loan portfolio. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period and management also confirmed this conclusion. Examiners did not analyze any other loan types, such as home mortgage or consumer loans, because they do not represent major product lines and would not provide material support for conclusions or ratings.

PB&T is not required to collect and report data on small business or small farm activity. As such, examiners utilized bank records to identify small business and small farm loans originated or reviewed by the bank in 2023 and 2024. D&B data for 2023 and 2024 is used as a comparative factor for small business and small farm lending performance.

For the Lending Test, the number and dollar volume of small business and small farm loans were reviewed. While the number and dollar volume of loans is presented, the performance by number

of loans was emphasized because it is a better indicator of the number of small businesses and small farms served. The universe of loans was used for geographic distribution, while sampling procedures were used for the borrower profile criterion for small business and small farm lending.

Loan Products Reviewed				
Loan Category	Universe		Reviewed	
	#	\$(000s)	#	\$(000s)
Small Business				
2023	61	6,812	41	3,307
2024	130	15,603	49	5,281
Sub-total	191	22,415	90	8,588
Small Farm				
2023	64	9,282	37	6,719
2024	99	9,988	41	4,416
Sub-total	163	19,270	79	11,135
Totals	354	41,685	166	19,723
<i>Source: Bank Data</i>				

Community development loans, qualified investments, and community development services initiated or maintained by the bank since the previous CRA performance evaluation were reviewed for this evaluation.

As part of the evaluation process, examiners referred to recent community contacts with third parties active in the assessment areas to assist in identifying the credit and community development needs and opportunities, as well as to determine whether local financial institutions are responsive to those needs. Examiners considered four community contacts conducted in the 12 months prior to the current evaluation within the bank's assessment area. None of the contacts identified any significant unmet credit and community development needs in the overall assessment area. Comments from the community contacts are included in the appropriate sections of the evaluation.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

PB&T demonstrated satisfactory performance under the Lending Test. The Loan-to-Deposit (LTD) ratio, assessment area concentration, geographic distribution, and the borrower profile performance support this conclusion. Examiners evaluated the LTD ratio and assessment area concentration at the institution-wide level, while separate conclusions are discussed regarding performance under the geographic distribution and borrower profile criteria for each assessment area.

Loan-to-Deposit Ratio

The LTD is reasonable given the institution's size, financial condition, and assessment area credit needs. The LTD ratio, calculated from Call Report data, averaged 77.61 percent over the past 11 calendar quarters since the prior evaluation. The ratio ranged from a high of 88.08 percent as of

December 31, 2023, to a low of 59.08 percent as of September 30, 2022. The ratio remained generally stable throughout the evaluation period. PB&T maintained a ratio higher than five similarly-situated institutions (SSI), as shown in the following table. The SSIs were selected based on asset size, geographic location, and lending focus. The bank's performance demonstrates a willingness to lend and meet the credit needs of its community.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 03/31/2025 \$(000s)	Average Net LTD Ratio (%)
Peoples Bank & Trust	592,161	77.61
Similarly-Situated Institution #1	614,573	74.49
Similarly-Situated Institution #2	801,705	72.28
Similarly-Situated Institution #3	652,736	70.18
Similarly-Situated Institution #4	585,491	65.51
Similarly-Situated Institution #5	486,080	58.26
<i>Source: Reports of Income and Condition 9/30/22 through 3/31/25</i>		

Assessment Area Concentration

A majority of the bank's small business and small farm loans were made, by number and dollar volume, within the institution's assessment area as shown in the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000)				Total \$(000)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business										
2023	61	79.2	16	20.8	77	6,812	64.1	3,811	35.9	10,623
2024	130	77.4	38	22.6	168	15,603	54.0	13,303	46.0	28,906
Subtotal	191	77.6	54	22.4	245	22,335	56.6	17,114	43.3	39,529
Small Farm										
2023	64	95.5	3	4.5	67	9,282	91.4	868	8.6	10,150
2024	99	87.6	14	12.4	113	9,988	81.3	2,304	18.7	12,292
Subtotal	163	90.5	17	9.4	180	19,270	85.9	3,172	14.1	22,442
Total	354	83.3	71	16.7	425	41,585	67.3	20,286	32.7	61,971
Source: Bank Data, as reported. Due to rounding, totals may not equal 100.0%.										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the bank's overall assessment areas. Examiners only considered loans originated inside the assessment area, with an emphasis placed on the distribution of loans in moderate-income geographies (as the bank's assessment areas contains no low-income geographies). This conclusion is supported by the bank's distribution of loans in the Illinois Non-MSA assessment area and 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 demographics of the assessment areas, reasonable penetration among businesses and farms of different income levels. Only loans originated within the assessment area are considered under this criterion. This conclusion is derived from the borrower distribution of small business loans in all assessment areas and small farm loans in the Illinois Non-MSA assessment area. Refer to the separate assessment area sections of this evaluation for further discussion of the bank's performance under this criterion.

Response to Complaints

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

COMMUNITY DEVELOPMENT TEST

Community Development Loans

PB&T originated 42 community development loans totaling \$22.4 million during the evaluation period. This level of community development lending, by dollar volume, represents 6.1 percent of total loans and 3.9 percent of total assets as of March 31, 2025. This lending performance is less than the prior evaluation when the bank originated 68 community development loans totaling \$58.5 million. It is relevant to note that PB&T originated a significant number of SBA Paycheck Protection Plan loans during the last evaluation which elevated community development lending during the last evaluation period. The level of community development lending was compared to three SSI that were evaluated for CRA during the current review period. These institutions has total assets ranging from \$458 million to \$770 million and community development loans-to-total loan ratios ranging from 3.9 percent to 16.3 percent. PB&T's ratio of 6.1 is in the middle of this range.

Community development lending activity includes qualified loans that the bank originated outside of its assessment area to entities that serve the counties in the broader statewide or regional area. While these loans did not directly benefit any of the bank's assessment areas, it is still considered under the Community Development Test, because the bank has demonstrated reasonable responsiveness to community development needs in all of its assessment areas. PB&T originated four community development loans that benefited the statewide or regional area. The bank financed three businesses that helped to revitalize or stabilize areas totaling \$20,000 and one loan that supported economic development totaling \$2.5 million.

The following tables illustrates community development lending activity by assessment area. Further discussion of the bank's community development loans is located in the separate assessment area sections of this evaluation.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
IL Non-MSA	-	-	1	116	20	3,664	9	14,521	30	18,301
Springfield MSA	-	-	-	-	-	-	-	-	-	-
St. Louis, MO-IL MSA	-	-	-	-	6	984	2	574	8	1,558
Statewide and Regional Activities	-	-	-	-	1	20	3	2,539	4	2,559
Total	-	-	1	116	27	4,668	14	17,634	42	22,418
<i>Source: Bank Data</i>										

The following table provides additional information on qualifying loans by year during the review period.

Community Development Lending by Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
8/12/2022-12/31/2022	-	-	-	-	6	321	3	155	9	476
2023	-	-	-	-	4	455	11	17,479	15	17,934
2024	-	-	1	116	14	1,118	-	-	15	1,234
YTD 2025	-	-	-	-	3	2,774	-	-	3	2,774
Totals	-	-	1	116	27	4,668	14	17,634	42	22,418
<i>Source: Bank Data</i>										

Qualified Investments

PB&T made or held 207 qualified investments inside its assessment area totaling \$6.9 million during the evaluation period. This level of qualified investments, by dollar volume, represents 1.2 percent of total assets and 4.3 percent of total securities, which remains the same from the previous evaluation. All qualified investments are comprised of local school district bonds in which over 50 percent of the district's students qualify for free or reduced lunches. In addition to qualified investments that supported the bank's assessment areas, PB&T held an investment in the broader statewide/regional area that benefits low- and moderate-income individuals in Springfield, Illinois by providing affordable housing. Charitable donations of approximately \$175,000 to 102 different organizations were made in the assessment area that support community development activities.

For the current evaluation period, investment activities are higher by number, but less than by dollar amount, than at the prior evaluation when 157 investments and donations qualified totaling \$8.5 million, with 122 of those consisting of donations or grants. The current level of qualified investment and donations activity is comparable to three SSIs. These institutions had qualified investments to total securities ratios ranging from 0.4 percent to 1.3 percent. PB&T's ratio of 4.3 percent is above all SSIs. The separate assessment area sections of this evaluation provide further discussion of the bank's qualified community development investments. The following table

reflects the community development activity by each rated area, as well as broader statewide or regional activities.

Community Development Investments and Donations by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
IL Non-MSA	-	-	19	5,964	-	-	-	-	19	5,964
Springfield MSA	-	-	-	-	-	-	-	-	-	-
St. Louis, MO-IL MSA	-	-	-	-	-	-	-	-	-	-
Statewide or Regional Activities	1	784	-	-	-	-	-	-	1	784
Subtotal	1	784	19	5,964	-	-	-	-	20	6,748
Qualified Grants and Donations	7	5	144	91	32	67	4	12	187	175
Total	8	789	163	6,055	32	67	4	12	207	6,923
<i>Source: Bank Data</i>										

The following table provides additional information on qualifying investments by year during the review period.

Community Development Investments and Donations by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	784	4	561	-	-	-	-	5	1,345
2022	-	-	2	2,463	-	-	-	-	2	2,463
2023	-	-	11	1,970	-	-	-	-	11	1,970
2024	-	-	2	970	-	-	-	-	2	970
YTD 2025	-	-	-	-	-	-	-	-	-	-
Subtotal	1	784	19	5,964	-	-	-	-	20	6,748
Qualified Grants and Donations	7	5	144	91	32	67	4	12	187	175
Total	8	789	163	6,055	32	67	4	12	207	6,923
<i>Source: Bank Data</i>										

Community Development Services

During the current evaluation period, employees provided 88 instances of financial expertise or technical assistance to various community development organizations, as detailed in the following tables. This level of qualified services is comparable to the number of instances provided during the previous evaluation period.

This level of activity is lower than two of the three SSIs used for comparative purposes, which had 81 to 232 qualified services of financial expertise or technical assistance provided to community

development organizations. The separate assessment area sections of this evaluation contain further discussion of the bank's community development services.

The following table reflects the community development activity by each assessment area.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Illinois Non-MSA	-	28	52	4	84
Springfield MSA	-	4	-	-	4
St. Louis, MO-IL MSA	-	-	-	-	-
Total	-	32	52	4	88
<i>Source: Bank Data</i>					

The following table provides additional information on the bank's qualifying services by year during the review period.

Community Development Services by Activity Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
8/12/2022-12/31/2022	-	7	13	1	21
2023	-	8	12	1	21
2024	-	9	14	1	24
YTD 2025	-	8	13	1	22
Total	-	32	52	4	88
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

ILLINOIS NON-MSA ASSESSMENT AREA - Full-Scope Review

A full-scope review of the bank's performance in the Illinois Non-MSA assessment area was conducted consistently with the scope of the evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ILLINOIS NON-MSA ASSESSMENT AREA

The Illinois Non-MSA assessment area contains ten contiguous counties. Specifically, the bank designated Christian, Coles, Effingham, Douglas, Fayette, Greene, Montgomery, Morgan, Moultrie

and Shelby Counties as the assessment area. PB&T operates twelve locations in this assessment area, including its main office. There are nine full-service locations, one limited-service facility, and two drive-up locations. As of June 30, 2024, approximately 97.3 percent of total deposits were derived from this assessment area, which results in the highest concentration of deposits among all assessment areas. Further, approximately 96.1 percent of loans, by dollar volume, were originated in this assessment area as of the March 31, 2025, Call Report. Thus, consistent with the scope of this evaluation, the bank's performance in this assessment area is the most heavily weighted in the overall rating.

This assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all geographies where the bank's offices and deposit-taking ATMs are located.

Economic and Demographic Data

This assessment area consists of 76 census tracts and has a population of 265,495 according to the 2020 US Census. Of the 76 census tracts, 13 are moderate-income, 48 are middle-income, and 15 are upper-income. There are no low-income census tracts in the assessment area. In 2025, Coles (three tracts) and Greene (two tracts) Counties were designated as Distressed Middle-Income Nonmetropolitan Tracts due to population loss, while Douglas (four tracts), Moultrie (two tracts), and Shelby (five tracts) Counties were designated as Underserved Remote-Rural Middle-Income Nonmetropolitan Tracts. The following table illustrates the bank's branch and ATM locations based on the census tract designations for the area.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Locations		ATMs	
	#	%	#	%	#	%	#	%
Moderate	13	17.1	43,322	16.3	2	16.7	2	16.7
Middle	48	63.2	164,370	61.9	7	58.3	7	58.3
Upper	15	19.7	57,803	21.8	3	25.0	3	25.0
Totals	76	100.0	265,495	100.0	12	100.0	12	100.0
<i>Sources: 2020 US Census Data & Bank Records</i>								

The assessment area is predominantly rural in nature with a strong agriculture heritage. The largest city is Jacksonville in Morgan County with a population of 17,616. The largest industries include health care and social services, manufacturing and retail trade. Major employers includes hospitals and health care systems, school districts, colleges/universities and manufacturing facilities such as Nestle Corporation and Reynolds Consumer Products. The average commute time is approximately 22 minutes, meaning a majority of residents commute for employment.

The following table provides additional demographic details on this assessment area.

Demographic Information of the Assessment Area Illinois Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	76	0.0	17.1	63.2	19.7	0.0
Population by Geography	265,495	0.0	16.3	61.9	21.8	0.0
Housing Units by Geography	123,939	0.0	17.1	61.5	21.4	0.0
Owner-Occupied Units by Geography	79,871	0.0	13.0	63.6	23.4	0.0
Occupied Rental Units by Geography	29,816	0.0	27.3	54.8	17.9	0.0
Vacant Units by Geography	14,252	0.0	18.7	63.7	17.6	0.0
Businesses by Geography	19,833	0.0	15.8	60.9	23.3	0.0
Farms by Geography	1,696	0.0	4.2	72.8	23.1	0.0
Family Distribution by Income Level	68,796	19.2	18.0	21.9	40.9	0.0
Household Distribution by Income Level	109,687	24.0	15.5	17.9	42.5	0.0
Illinois Non-MSA Median Family Income		\$67,835	Median Housing Value			\$ 109,558
			Median Gross Rent			\$672
			Families Below Poverty Level			9.4%
Sources: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by gross annual revenues (GARs). According to 2024 D&B data, there were 19,833 businesses in this assessment area. Since businesses are not required to report to D&B, some revenues are classified as unknown. Non-classifiable establishments represent the largest portion of businesses at 14.3 percent, followed by other services at 10.7 percent and retail trade at 9.1 percent. In addition, 71.1 percent of area businesses have four or fewer employees, and 86.2 percent operate from a single location.

The GARs of businesses operating in the assessment area in 2024 are as follows:

- 81.0 percent have revenues \$1 million or less,
- 4.3 percent have revenues greater than \$1 million, and
- 14.7 percent have unknown revenues.

The analysis of small farm loans under the borrower profile criterion compares the distribution of farms by GARs. According to 2024 D&B data, there were 1,696 small farms in this assessment area. Since farms are not required to report to D&B, some revenues are classified as unknown.

The GARs of farm operating in the assessment area in 2024 are as follows:

- 98.5 percent have revenues \$1 million or less,
- 0.7 percent have revenues greater than \$1 million, and
- 0.8 percent have unknown revenues.

Competition

The assessment area has a strong level of competition for loans and deposits. Data from the FDIC Deposit Market Share report as of June 30, 2024, shows 158 offices of 58 financial institutions operating within the assessment area. PB&T maintains a 4.63 percent deposit market share in the assessment area, ranking fifth among all institutions. The top four financial institutions hold a combined 36.1 deposit percent market share. In the bank's primary market area of Christian County, PB&T ranked first out of 12 financial institutions operating 19 locations with a 22.9 percent market share.

Given that the bank is not required to report its small business and small farm lending data under CRA, the analysis of small business and small farm loans under the Lending Test does not include comparisons against aggregate data; however, this information is provided as it reflects the level of demand for both small business and small farm loans in the assessment area. Aggregate data for 2023, the most recent year data is available, shows that 74 lenders reported 2,790 small business loans in the assessment area. The top five lenders held a combined market share of 63.9 percent. Similarly, 2023 aggregate data reflects there were 23 lenders that reported 1,002 small farm loans in the assessment area. The top five small farm lenders held a combined market share of 69.9 percent. These figures reflect a competitive market for both product lines.

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 identifies potential credit and community development opportunities. Examiners used two prior community contacts within the past 12 months; both engaged in economic development.

According to the first contact, a high percentage of the community is financially underserved with major area economic needs of affordable housing, transportation for work and education, childcare for low- and moderate-income families, and work programs/apprenticeships to assist low- and moderate-income individuals. The contact stated there are community development opportunities for financial institutions in the assessment area, such as financial education for individuals and businesses and small business loans.

The second contact stated the major needs of the assessment area are housing projects, small business loans, including micro and revolving loans, and grants. The contact also said small farms are a top priority in the community. Both contacts felt the financial institutions in the area help to meet the needs of the community.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management and demographic and economic data, examiners determined that small business and small farm loans represent primary credit needs in the area. In particular, 81.0 percent of businesses and 98.5 percent of farms with GARs of \$1 million or less supports this conclusion.

Community development lending, investment and service opportunities are available within the assessment area. This conclusion is based upon an analysis of demographic information, the CRA public evaluations of area financial institutions and community contact information. Additionally, Enterprise Zones and Tax Increment Financing (TIF) districts exist, which were established to promote small business development in the area. There are also numerous non-profit agencies in the area, which provide essential services to low- and moderate-income individuals. Thus, this data suggests that there are opportunities for banks to make affordable housing, small business and small farm loans, and participate in community development activities within the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE IL NON-MSA ASSESSMENT AREA

LENDING TEST

PB&T exhibited reasonable performance under the Lending Test throughout the Illinois Non-MSA assessment area. Both the geographic distribution and the borrower profile performance support this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The performance of small business and small farm lending supports this conclusion. Examiners focused on the percentage of loans, by number, in moderate-income census tracts in the assessment area. Examiners only considered loans originated within this assessment area for the analysis.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the moderate-income census tracts in the assessment area. As shown in the following table, the bank's performance in the moderate-income tracts in 2023 trails the percentage of businesses. While lending in 2024 also trails the percentage of businesses in the moderate-income tracts, PB&T made almost twice as many loans in those tracts. As mentioned previously, PB&T acquired Arcola First Bank in 2024 which added nine middle- and upper-income census tracts to the assessment area and the bank's increased lending in those tracts is reflected in the table. Further, while the bank operates two branches in moderate-income census tracts, the majority of their locations are further from the other moderate-income census tracts which limits the bank's ability to attract additional borrowers.

While PB&T is not required to report CRA loan data, it can be indicative of lending trends in the area. The 2023 loan data shows that small business aggregate lending of 13.4 percent is also below the percentage of businesses in this area and indicates that lenders face challenges penetrating this market segment. Further, the top five lenders held a 63.9 percent market share. Additionally, the number of businesses located in these tracts may not be representative of the demand for lending or the percentage of small businesses seeking or qualifying for financing. A majority of the operations in the area are very small and may not seek financing or may utilize alternative forms of funding such as credit cards. Given the level of competition, distance of branch locations to moderate-income census tracts and the bank's capacity, the level of small business lending is considered reasonable.

Geographic Distribution of Small Business Loans Illinois Non-MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Moderate					
2023	16.3	5	8.9	491	7.7
2024	15.8	9	7.2	540	3.7
Middle					
2023	63.0	45	80.4	4,796	74.9
2024	60.9	95	76.0	11,303	78.4
Upper					
2023	20.7	6	10.7	1,116	17.4
2024	23.3	21	16.8	2,578	17.9
Total					
2023	100.0	56	100.0	6,403	100.0
2024	100.0	125	100.0	14,421	100.0
<i>Sources: 2023, 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

Overall, the geographic distribution of small farm loans reflects reasonable dispersion in the moderate-income census tracts in the assessment area. As shown in the following table, the bank's performance in the moderate-income tracts exceeds the percentage of farms in 2023. Lending in 2024 slightly trails the percentage of farms but is still considered reasonable. Several of the moderate-income tracts in this assessment area are in more urbanized communities with fewer farms, which limits the potential lending opportunities for this product line and is also reflected in the small percentage of farms businesses operating in this tract segment. Additionally, there are other opportunities for agricultural financing other than traditional banks, such as farm credit agencies, finance companies and credit unions. A review of applicable loan data and discussions with management support the conclusion that these are reasonable lending levels and that overall performance is comparable to area demographics.

Geographic Distribution of Small Farm Loans Illinois Non-MSA Assessment Area					
Tract Income Level	% of Farms	#	%	\$(000s)	%
Moderate					
2023	4.5	4	6.3	634	6.8
2024	4.2	1	1.0	110	1.1
Middle					
2023	75.8	53	82.8	7,939	85.5
2024	72.8	82	82.8	7,989	80.0
Upper					
2023	19.6	7	10.9	709	7.6
2024	23.1	16	16.3	1,889	18.9
Total					
2023	100.0	64	100.0	9,282	100.0
2024	100.0	99	100.0	9,988	100.0
<i>Sources: 2023, 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different revenue sizes. Examiners focused on the percentage by number of small business and small farm loans to businesses with GARs of \$1 million or less. Only loans located inside the assessment area are included in the analysis.

Small Business Loans

The distribution of small business loans to businesses of different sizes is reasonable. The bank's level of lending to businesses reporting GARs less than \$1 million slightly trails the area demographic for 2023. The bank's performance of lending to businesses with GARs less than \$1 million exceeded area demographics in 2024. As previously noted, the area demographics include all of the businesses in the area that reported income levels, but these figures may not be representative of the demand for lending or the percentage of small businesses seeking or qualifying for financing. The following table and previous demographic data indicate that a majority of businesses are small operations.

Distribution of Small Business Loans by Gross Annual Revenue Category Illinois Non-MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<= \$1,000,000					
2023	81.4	27	75.0	2,098	72.4
2024	81.0	39	88.6	2,652	64.7
> \$1,000,000					
2023	4.4	9	25.0	800	27.6
2024	4.3	5	11.4	1,447	35.3
Revenue Not Available					
2023	14.2	0	0.0	0	0.0
2024	14.7	0	0.0	0	0.0
Total					
2023	100.0	36	100.0	2,898	100.0
2024	100.0	44	100.0	4,099	100.0
<i>Sources: 2023, 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

Small Farm Loans

The geographic distribution of small farm loans reflects reasonable dispersion in the moderate-income census tracts in the assessment area. As shown in the following table, the bank's performance in 2023 trailed area demographics. A review of the bank's lending indicated that they are making loans to small farming operations; however, there were some large borrowers that had multiple loan originations that impacted the performance of the GAR level. In 2024, PB&T performance increased as it originated 100 percent of its loans to businesses with GARs of \$1 million or less.

Distribution of Small Farm Loans by Gross Annual Revenue Category Illinois Non-MSA Assessment Area					
Gross Revenue Level	% of Farms	#	%	\$(000s)	%
<= \$1,000,000					
2023	98.6	29	78.4	4,910	73.1
2024	98.5	41	100.0	4,416	100.0
> \$1,000,000					
2023	0.7	8	22.2	1,809	27.0
2024	0.7	0	0.0	0	0.0
Revenue Not Available					
2023	0.8	0	0.0	0	0.0
2024	0.8	0	0.0	0	0.0
Total					
2023	100.0	37	100.0	6,719	100.0
2024	100.0	41	100.0	4,416	100.0
<i>Sources: 2023, 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

COMMUNITY DEVELOPMENT TEST

PB&T demonstrated adequate responsiveness to the community development needs throughout the assessment area, primarily through community development loans. The loans originated in this assessment area represent 79.0 percent of all community development loans by number and 81.6 percent of the total dollar of loans. Qualified investments and donations in this assessment area represent 95.0 percent by number and 89.0 percent by dollar volume of the total extended. Additionally, bank employees performed 95.0 percent of community development services in this assessment area. Examiners considered the institution's capacity and the need and availability of such opportunities.

Community Development Loans

PB&T originated 30 community development loans totaling approximately \$18.3 million during the evaluation period. The majority of loans, by number, supported economic development and by dollar volume supported revitalization or stabilization activities in the area. The following table illustrates community development lending activity by year and purpose.

Community Development Lending Illinois Non-MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
8/12/2022-12/31/2022	-	-	-	-	5	289	3	155	8	444
2023	-	-	-	-	2	85	6	14,366	8	14,451
2024	-	-	1	116	11	1,040	-	-	12	1,156
YTD 2025	-	-	-	-	2	2,250	-	-	2	2,250
Total	--	--	1	116	20	3,664	9	14,521	30	18,301
Source: Bank Data Due to rounding, totals may not equal 100.0%										

Notable examples where the bank has been particularly responsive to community development needs in the assessment area include:

- Originated a \$13 million dollar loan to an entity that will install and provide wireless, high-speed internet services to rural communities in the assessment area. This loan supports revitalization and stabilization efforts by helping to retain or attract businesses and residents to low- and moderate-income areas.
- Originated two loans totaling \$834,000 to a non-profit entity that is developing an industrial park in a business development district that is located in a moderate-income census tract in the assessment area. These loans support economic development.
- Originated two loans totaling \$2.3 million to a farmer in the assessment area who provides jobs to low- and moderate-income individuals. These loans supported economic development as these jobs benefit low- and moderate-income individuals and created permanent jobs in the area.

Qualified Investments

During the review period, PB&T held or purchased 19 qualified investments totaling \$6.0 million. These bonds benefited school districts with primarily low- and moderate-income students in the assessment area.

Qualified Investments Illinois Non-MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	4	561	-	-	-	-	4	561
2022	-	-	2	2,463	-	-	-	-	2	2,463
2023	-	-	11	1,970	-	-	-	-	11	1,970
2024	-	-	2	970	-	-	-	-	2	970
YTD 2025	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	19	5,964	-	-	-	-	19	5,964
Qualified Grants & Donations	7	5	134	86	32	67	4	12	177	170
Total	7	5	153	6,050	32	67	4	12	196	6,134
Source: Bank Data , "--" data not available. Due to rounding, totals may not equal 100.0%										

The bank also had 177 qualified grants and donations totaling \$170,000. This level of investments is an increase in number, but a decrease in dollar amount, from the previous evaluation when the bank made 149 investments and donations totaling \$7.6 million.

Notable examples of the bank's community development donations include:

- The bank made donations totaling over \$11,000 to local area food banks in the assessment area that provides food resources to low- and moderate-income individuals. These donations support community development services.
- The bank made donations totaling over \$10,000 to an education foundation that provides support for low-and moderate-income students in the assessment area. These donations support community services.

Community Development Services

During the evaluation period, employees provided 84 instances of financial expertise or technical assistance to 19 different community development related organizations in the assessment area. The bank has demonstrated adequate responsiveness to community development needs through its service activity. The majority of these activities supported economic development as shown in the following table.

Community Development Services Illinois Non-MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
8/12/2022-12/31/2022	-	6	13	1	20
2023	-	7	12	1	20
2024	-	8	14	1	23
2025	-	7	13	1	21
Total	-	28	52	4	84
<i>Source: Bank Data, "--" data not available.</i>					

Notable community development services include:

- Economic Development Organizations – Numerous bank employees serve on the Boards or in various officer positions of local economic development organizations throughout the assessment area. These organizations work to retain, expand, create and recruit job opportunities.
- Community Development Organizations – Several bank employees serve on the Boards of local community development organizations in the assessment area that provide support or services to low- and moderate-income individuals.

SPRINGFIELD MSA ASSESSMENT AREA – Full-Scope Review

A full-scope review of the bank’s performance in the Springfield MSA assessment area was conducted consistent with the scope of the evaluation.

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE SPRINGFIELD MSA ASSESSMENT AREA

This assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all geographies where the bank’s offices and deposit-taking ATMs are located.

Economic and Demographic Data

The Springfield MSA assessment area contains eight census tracts in Sangamon County and has a population of 43,680. Of the eight census tracts, three are middle-income and five are upper-income. This assessment area is located north of the Illinois Non-MSA and St. Louis, MO-IL MSA assessment areas.

PB&T operates one full-service branch in this assessment area, which is located on the southern edge of the city of Springfield. While the branch has a Springfield address, it predominately serves the city of Chatham, Illinois. According to the 2020 US Census, Chatham had a population of 14,377.

The City of Springfield (population 114,214) is located in Sangamon County. It is the state capital and is the sixth most populous city in Illinois. Sangamon County is centrally located in Illinois, approximately 200 miles southwest of Chicago and 100 miles northeast of St. Louis, Missouri.

As of June 30, 2024, approximately 2.4 percent of total deposits were derived from this assessment area. Further, as of March 31, 2025, approximately 3.3 percent of total loans, by dollar volume, originated in this assessment area. The bank has very little lending in this assessment area, which is partially attributable to the limited staff at the sole location and the size of the delineated area. Therefore, lending performance in this area carried little weight in the overall CRA rating.

The following table provides additional demographic details on the assessment area.

Demographic Information of the Assessment Area SPRINGFIELD MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	8	0.0	0.0	37.5	62.5	0.0
Population by Geography	43,680	0.0	0.0	36.5	63.5	0.0
Housing Units by Geography	17,002	0.0	0.0	40.6	59.4	0.0
Owner-Occupied Units by Geography	13,740	0.0	0.0	37.9	62.1	0.0
Occupied Rental Units by Geography	2,300	0.0	0.0	47.1	52.9	0.0
Vacant Units by Geography	962	0.0	0.0	64.4	35.7	0.0
Businesses by Geography	2,944	0.0	0.0	31.5	68.6	0.0
Farms by Geography	208	0.0	0.0	61.5	38.5	0.0
Family Distribution by Income Level	11,738	12.3	13.4	22.6	51.7	0.0
Household Distribution by Income Level	16,040	11.6	11.5	15.8	61.1	0.0
Median Family Income MSA - 44100 Springfield, IL MSA		\$83,948	Median Housing Value			\$ 181,905
			Median Gross Rent			\$949
			Families Below Poverty Level			3.9%
Sources: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

The analysis of small business loans under the borrower profile criterion compares the distribution of businesses by GARs. According to 2024 D&B data, there were 2,944 businesses in the assessment area. Since businesses are not required to report to D&B, some revenues are classified

as unknown. Non-classified establishments represent the largest portion of businesses at 21.1 percent, followed by other services at 8.3 percent and construction at 8.2 percent. In addition, 68.8 percent of area businesses have four or fewer employees, and 92.5 percent operate from a single location.

The GARs of businesses operating in the assessment area in 2024 are as follows:

- 89.8 percent have revenues \$1 million or less,
- 2.3 percent have revenues greater than \$1 million, and
- 8.4 percent have unknown revenues.

The analysis of small farm loans under the borrower profile criterion compares the distribution of businesses by GARs. According to 2024 D&B data, there were 208 small farms in this assessment area. Since farms are not required to report to D&B, some revenues are classified as unknown.

The GARs of businesses operating in the assessment area in 2024 are as follows:

- 98.6 percent have revenues \$1 million or less,
- 0.5 percent have revenues greater than \$1 million, and
- 1.0 percent have unknown revenues.

Major employers in Sangamon County include the State of Illinois, Memorial Health Systems, Hospital Sisters Health System, Springfield Clinic, Springfield Public Schools and the University of Illinois at Springfield. These major employers, including the State of Illinois that employs approximately 17,800 employees, provide stability to the area. In terms of employment numbers, health care and social assistance services are the most prevalent types of entities, followed by retail and manufacturing. The area's location, situated between several small and mid-size rural areas, indicates a good percentage of the workforce commutes to the area for employment.

Competition

The assessment area has a strong level of competition for loans and deposits. Data from the June 30, 2024, FDIC Deposit Market Share report shows 75 offices of 24 financial institutions operating within the assessment area. PB&T maintains a 0.14 percent deposit market share, ranking 23rd among all institutions. The top five institutions control 65.4 percent of the deposit market share.

Since PB&T is not required to report its small business and small farm data under the CRA, the analysis of small business and small farm loans under the Lending Test does not include comparisons against aggregate data. However, this information is provided as it reflects the level of demand for both small business and small farm loans in the assessment area. Aggregate data for 2023 (the most recent year data is available) shows that 67 lenders reported 3,159 small business loans in the assessment area. The top five lenders held a combined market share of 69.0 percent. The average loan size among all lenders was \$41,000 or less and for the top five lenders it was less than \$12,500. These figures indicate that much of this lending is likely for credit card accounts and supports the conclusion that many very small businesses may not seek traditional financing or may use alternative forms of funding. Similarly, 2023 aggregate data reflects there were 15 lenders that reported 124 small farm loans. The top three lenders accounted for 58.8 percent of all small farm loans. These figures reflect a competitive market for both product lines.

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 identifies potential credit and community development opportunities. Examiners used a community contact from the previous twelve months in this assessment area that offers advising services and programs for individuals interested in starting or developing a business.

The contact stated the demographic and size of the area is getting smaller as retired residents leave the area. The area has a smaller low-income population relative to other cities of the same size, and they believe this is related to the dominant employers in the area (state/local government, school districts/universities, and multiple healthcare organizations). The contact states there is a very low inventory of homes in the area, especially for low- and moderate-income families. Also noted is that the contact details show there is not a shortage of employment opportunities, but rather a shortage of qualified workers 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 small business and small farm loans represent primary credit needs in the area. In particular, 89.8 percent of businesses and 98.6 percent of farms with GARs of \$1 million or less supports this conclusion.

Community development lending, investment and service opportunities are available within the assessment area. This conclusion is based upon an analysis of demographic information, the CRA public evaluations of area financial institutions, and community contact information. Additionally, Enterprise Zones and TIF districts exist, which were established to promote small business development in the area. There are also numerous non-profit agencies in the area, which provide essential services to low- and moderate-income individuals. Thus, this data suggests that there are opportunities for banks to make affordable housing, small business and small farm loans, and participate in community development activities within the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE SPRINGFIELD MSA ASSESSMENT AREA

LENDING TEST

PB&T exhibited reasonable performance under the Lending Test throughout the Springfield assessment area. This conclusion is supported by the small business performance under the borrower profile criterion.

As previously mentioned, the bank has very little lending (and deposit activity) in this assessment area, which is largely attributed to the sole location, limited number of employees, and smaller assessment area. In addition, the branch location is primarily in a non-rural area, which limits opportunities for small farm lending.

Geographic Distribution

A review of the Geographic Distribution criterion would not result in meaningful conclusions because there are no low- or moderate-income census tracts in the assessment area.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different revenue sizes. The bank's reasonable performance of small business loans supports this conclusion. Examiners focused on the percentage by number of small business and small farm loans to businesses with GARs of \$1 million or less. Only loans located inside the assessment area are included in the analysis.

Small Business

The distribution of small business loans reflects reasonable penetration among businesses with GARs of \$1 million or less. In 2023, the bank made one of its two small business loans to a borrower with GARs of \$1 million or less. In 2024, the bank's performance exceeded area demographics. The bank originated three of its five loans in the assessment area to borrowers with GARs of \$1 million or less.

Small Farm

A review of small farm lending would not provide any meaningful conclusions as there were no small farm loans originated during the review period. As noted above, 2023 aggregate data reflected there were 15 lenders that reported 124 small farm loans. The top three lenders accounted for 58.8 percent of all small farm loans. The branch location, located near Springfield, is primarily non-rural, with limited opportunities for small farm lending.

COMMUNITY DEVELOPMENT TEST

PB&T's performance under the Community Development Test in the Springfield MSA assessment area is below the bank's performance in the Illinois Non-MSA assessment area; however, it does not materially impact the overall rating as this assessment area carries significantly less weight. Examiners considered the institution's capacity and the need and availability of such opportunities.

Community Development Loans

No community development loans were originated in the assessment area during the evaluation period.

Qualified Investments

PB&T did not have any qualified investments within the assessment area during the review period. However, the bank made ten qualified charitable community service donations totaling \$4,750 to

community development organizations that provide essential services to low- and moderate-income individuals.

Community Development Services

PB&T had four instances of community development services to a non-profit organization that provides services to elementary age children in a school district where more than 50 percent of students receive free or reduced lunches.

ST LOUIS, MO-IL MSA ASSESSMENT AREA – Limited-Scope Review

A limited-scope review of the bank's performance in the St Louis, MO-IL MSA was performed consistent with the lending products and community development activities discussed in the overall scope of the evaluation. This assessment area carries minimal weighting in the rating assigned due to the significantly lower volume of loans and deposits. Comments regarding bank performance in this assessment area are limited, as this assessment area represents a small portion of the bank's overall operations.

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

Economic and Demographic Data

PB&T operates one limited-service banking office within this assessment area that is located in the city of Palmyra, in a moderate-income census tract. This assessment area contains 13 tracts and consists of eight moderate-income and five middle-income census tracts. This location does not have lending staff, so loan officers from other branches work with borrowers from this area. The county seat and primary trade area is Carlinville, located 18 miles from the bank's branch.

As of June 30, 2024, this assessment area only accounted for 0.3 percent of the bank's total deposits. The bank originated 0.6 percent of total loan volume, by dollar amount, in this assessment area, which is partially attributed to limited staffing and service operations at this location. Thus, performance in this assessment area carried nominal weight in the overall rating.

The following table illustrates demographic characteristics of this assessment area.

Demographic Information of the Assessment Area ST LOUIS, MO-IL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	N/A* % of #
Geographies (Census Tracts)	13	0.0	61.5	38.5	0.0	0.0
Population by Geography	44,967	0.0	61.7	38.3	0.0	0.0
Housing Units by Geography	21,769	0.0	62.9	37.1	0.0	0.0
Owner-Occupied Units by Geography	13,986	0.0	60.9	39.1	0.0	0.0
Occupied Rental Units by Geography	4,591	0.0	70.5	29.5	0.0	0.0
Vacant Units by Geography	3,192	0.0	60.5	39.5	0.0	0.0
Businesses by Geography	2,910	0.0	61.0	39.0	0.0	0.0
Farms by Geography	294	0.0	40.1	59.9	0.0	0.0
Family Distribution by Income Level	12,528	29.0	20.7	21.2	29.1	0.0
Household Distribution by Income Level	18,577	29.8	17.5	18.7	34.1	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$84,758	Median Housing Value			\$ 109,317
			Median Gross Rent			\$745
			Families Below Poverty Level			9.1%
Sources: 2020 Census And 2024 D&B Data (*) The NA category consists of geographies that have Not been assigned an income classification. Due to rounding, totals may not equal 100%.						

Competition

The assessment area has a moderate level of competition for loans and deposits. Data from the June 30, 2024, FDIC Deposit Market Share report shows 23 offices of 13 financial institutions operating within the assessment area. PB&T maintained a 0.11 percent market share, ranking it last among all institutions.

There is a moderate level of competition for small business and small farm loans among banks, credit unions, and farm credit entities. While PB&T is not required to report CRA data, it is a good indicator of the demand for lending. In 2023, the most recent year aggregate data is available, 41 financial institutions reported 572 small business originations. The top three lenders accounted for 40.7 percent of the total market share. Similarly, four of the 12 lenders reported 245 small farm loans and accounted for 85.7 percent of the total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE ST LOUIS, MO-IL MSA ASSESSMENT AREA

LENDING TEST

PB&T exhibited reasonable performance under the Lending Test throughout the St. Louis, MO-IL MSA assessment area. For the Lending Test, the most weight was placed on the bank's small business lending for both the geographic distribution and borrower profile criterions.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The performance of small business lending supports this conclusion. Examiners focused on the percentage of loans, by number, in moderate-income census tracts in the assessment area. Examiners only considered loans originated within this assessment area for the review.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion in the moderate-income census tracts in the assessment area. In 2023, PB&T made all three of its loans to borrowers in moderate-income census tracts. The bank did not originate any small business loans in the assessment area in 2024. As mentioned previously, PB&T operates one limited-service branch without a dedicated loan officer in Macoupin County. The branch is located in Palmyra, a town of 654 people. The two largest towns in Macoupin County are Carlinville and Staunton, located 18 miles and 50 miles away, respectively. Also, this assessment area has a large presence of national and regional banks. It is not unreasonable for PB&T to have limited penetration in these tracts when considering this performance context.

Small Farms Loans

A review of small farm lending would not provide any meaningful conclusions because PB&T did not originate any small farm loans in 2023 or 2024 in the assessment area. Of the 245 small farm loans originated, only 74 were originated in moderate-income census tracts and the top four CRA reporting financial institutions accounted for 85.7 of the total market share in the assessment area. Again, this is a limited-service branch without a dedicated loan officer. It is not unreasonable for PB&T to have limited penetration in these tracts when considering this performance context.

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses and farms of different sizes. The bank's reasonable performance of small business lending supports this conclusion.

Small Business Loans

The distribution of small business loans to businesses of different sizes is reasonable. In 2023, all three of the bank's small business loans were originated to businesses with GARs of \$1 million or less. In 2024, PB&T did not make any small business loans in the assessment area.

Small Farms Loans

A review of small farm lending would not provide any meaningful conclusions because PB&T did not originate any small farm loans in 2023 or 2024 in the assessment area. As mentioned previously, this is a limited-service branch without a dedicated loan officer. It is not unreasonable for PB&T to have limited penetration in these tracts when considering this performance context.

COMMUNITY DEVELOPMENT TEST

Performance under the Community Development Test in the St. Louis, MO-IL MSA assessment area is below the bank's performance in the Illinois Non-MSA assessment area; however, it does not materially influence the overall rating as this assessment area carries significantly less weight. Examiners considered the institution's capacity and the need and availability of such opportunities.

Community Development Loans

PB&T originated eight community development loans totaling \$1.6 million during the evaluation period. Six of these loans benefited economic development, while two loans supported revitalization or stabilization efforts in the assessment area.

Qualified Investments

No qualified investments or donations were identified within this assessment area during the evaluation period.

Community Development Services

Bank staff did not participate in any community development services within the assessment area during the evaluation period.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

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

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

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

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. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution 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 institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution'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 institution's assessment area(s) or a broader statewide or regional area including the institution'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 institution'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 (e.g, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g, innovativeness, complexity, and responsiveness).

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

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

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

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

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

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

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.

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.