



PUBLIC DISCLOSURE

April 23, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

National Bank of St. Anne
Charter Number 14617

158 W. Station Street, St. Anne, IL 60964

Office of the Comptroller of the Currency

Harris Center, 3001 Research Rd, Champaign, IL 61822-1661

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 institution. This evaluation is not, and should not 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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Overall CRA Rating

The Lending Test is rated: **Satisfactory**.

The major factors that support the rating for National Bank of St. Anne (NBSA) include:

- NBSA's lending to borrowers of different incomes and businesses of different sizes is reasonable. Our analysis placed the most weight on this criterion in the lending test.
- The geographic distribution of loans reflects reasonable dispersion among different income tracts throughout the assessment area (AA).

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon 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 Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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.

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, 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 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 that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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 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.

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.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

Small Loan(s) to Farm(s): 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, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

NBSA is a \$53.8 million intrastate financial bank with one location in St. Anne, Illinois (IL). The bank is a wholly owned subsidiary of St. Anne Bancorp, Inc. The bank branch has one automated teller machine (ATM), which does not accept deposits. NBSA's AA consists of the Kankakee, IL MSA and two adjacent census tracts (CTs) in Iroquois County.

NBSA is a full service bank that offers conventional deposit and loan products. In addition, the bank offers online and mobile banking. No affiliate data was utilized in this analysis. There have been no mergers or acquisitions affecting the bank's CRA performance since the last evaluation.

As of December 31, 2017, NBSA's gross loan portfolio totaled \$38.4 million, or 71.4 percent of total assets. Tier 1 capital is \$4.6 million. The following table represents the loan portfolio mix:

Loan Portfolio Summary by Loan Product	
Loan Category	% of Outstanding Dollars
Home loans, including multi-family	32.7%
Business loans, including commercial real estate	32.6%
Farm loans, including farm land	24.2%
Consumer loans	10.5%

Source: December 31, 2017 Uniform Bank Performance Report (UBPR)

There are no known impediments limiting NBSA's ability to help meet the credit needs of its local community, including those of low- and moderate-income (LMI) families and neighborhoods. NBSA's business strategy focuses on providing a variety of products and services with a personal touch. NBSA's deposit market share in the Kankakee, IL MSA, at 1.5 percent, ranks 19 out of 26 banks in the AA. NBSA received a "Satisfactory" rating during the September 12, 2013 evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated NBSA's CRA performance using Small Bank examination procedures. We reviewed the bank's record of meeting the credit needs of its AA through lending activities. The evaluation period for this review is from September 13, 2013 to April 23, 2018. We determined that loan data from January 1, 2015, to December 31, 2017, was representative of the evaluation period. We sampled loans from this time period for the lending test.

Based on both the number and dollar volume of loan origination data supplied by the bank, NBSA's primary lending products are home mortgages and farm loans. Home loans represent 18.8 percent of the number and 41.0 percent of the dollar volume of loan originations from 2015 to 2017. Business loans represent 16.4 percent of the number and 26.9 percent of the dollar volume of originations for the same time period. We analyzed home loans reported in the bank's Home Mortgage Disclosure Act (HMDA) loan application registers (LAR), after we verified the reports' reliability. We also sampled farm loans for this evaluation.

For analysis purposes, we compared the bank's lending performance with demographic data from the 2010 United States (U.S.) Census, the 2015 American Community Survey (ACS) U.S. Census, 2016 and 2017 Dun and Bradstreet (D & B) Business Geodemographic data, and FDIC deposit market share data as of June 30, 2017. The income designation of some CTs in the AA changed in 2017. As median family income was updated in 2015 and became effective for 2017 analysis, we reviewed the 2015 and 2016 loan samples separately from the 2017 loan samples. Refer to the table in Appendix A for more information on the scope of the review.

Data Integrity

As part of our ongoing supervision of NBSA, we tested the accuracy of the bank's 2015, 2016, and 2017 HMDA-LAR reports. Our testing found no substantive inaccuracies in the data. Therefore, we concluded that the home mortgage loan activity data could be relied upon for this evaluation.

Selection of Areas for Full-Scope Review

NBSA has one AA. We completed a full-scope review of this AA. A community profile for the AA is in Appendix B.

Ratings

NBSA's overall rating is based on the full scope review of the AA. Our analysis placed more weight on performance for home mortgage lending. Home loans made up the highest percentage of the number and dollar amount of loans originated at NBSA during this evaluation period. As a majority of AA farms are small farms (97.5 percent) and a significant portion of AA families are LMI (39.4 percent), the conclusions for the borrower distribution criterion were heavily weighted in determining the lending test rating. The geographic distribution criterion did not receive as much weight. The percentage of LMI CTs based upon the 2010 U.S. Census data was 29.1 percent in 2016 and 35.5 percent in 2017 per the 2015 ACS U.S. Census data.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

LENDING TEST

NBSA's performance under the lending test is satisfactory. Lending to borrowers of different incomes and businesses of different sizes is reasonable. Geographic distribution of loans among different income geographies is reasonable. The bank originated a substantial majority of their primary loan products within the AA and the loan-to-deposit ratio is more than reasonable. We placed the most weight on the borrower distribution criterion in the lending test.

Loan-to-Deposit Ratio

NBSA's loan-to-deposit ratio is more than reasonable based on its size, financial condition, AA credit needs, and local competition. The loan-to-deposit ratio averaged 76.4 percent over the past 18 quarters. The timeframe used for this calculation represents the first quarter-end after the start of the last CRA evaluation through December 31, 2017. This data was the most recent data available when the evaluation began.

Over the past 18 quarters, the bank's highest loan-to-deposit ratio was 85.2 percent and the lowest was 60.2 percent. The bank's loan-to-deposit ratio is above the average of similarly situated banks headquartered within its AA. We reviewed the loan-to-deposit ratio for all banks in Kankakee and Iroquois Counties with total assets between \$20 million and \$110 million. This group of eight similarly situated banks averaged a loan-to-deposit ratio of 57.7 percent. NBSA's loan-to-deposit ratio average was the second highest of this comparison group.

Lending in Assessment Area

NBSA originated a substantial majority of their primary loan products within the AA. Our sample showed 88.0 percent of the total number and 79.3 percent of the total dollar volume of these loans were originated within the AA.

Lending in the Kankakee, IL MSA AA										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home	98	86.7%	15	13.3%	113	\$12,135	77.3%	\$3,573	22.7%	\$15,708
Farm	19	95.0%	1	5.0%	20	\$2,017	94.8%	\$110	5.2%	\$2,127
Totals	117	88.0%	16	12.0%	133	\$14,152	79.3%	\$3,683	20.7%	\$17,835

Source: 2015, 2016, and 2017 HMDA LARs and sample of 20 farm loans originated from 1/1/2015 to 12/31/2017.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

NBSA's lending to borrowers of different incomes and businesses of different sizes is reasonable. The borrower distribution of home loans reflects reasonable penetration in the AA. The borrower distribution of farm loans reflects excellent penetration in the AA. Our analysis placed more weight on home mortgage lending, due to the volume of home loan originations during the loan evaluation period.

Home Loans

The overall borrower distribution of home loans was reasonable, primarily due to the findings of the 2015-2016 analysis and considering performance context information.

In evaluating the borrower distribution of home loans in the AA, we considered that the number of families with incomes below the poverty level was 10.6 percent in 2016 and 12.3 percent in 2017. People living in poverty have a difficult time qualifying for traditional mortgages. We also considered the average age of the housing stock, which ranged between 56 and 63 years in the LMI geographies during the evaluation period. Older housing often costs more to maintain, frequently requires significant repairs to bring dwellings up to code requirements, and often is less energy efficient, resulting in higher heating and cooling costs. All of these factors add to the overall cost of homeownership, which can affect the ability of LMI individuals to qualify for home loans.

The bank offers some alternative loan programs to assist LMI borrowers. Since 2014, NBSA has participated in the "At Home Kankakee" home purchase program with two other banks in the AA. This program coordinates with the city of Kankakee's down payment assistance programs to encourage home ownership in two low-income CTs in downtown Kankakee. These CTs have particularly high rental and/or vacancy rates. The program also incorporates the State of IL "Finally Home" program, which provides a 10 percent government guarantee on the loans. During the evaluation period, the bank participated in two loans through the "At Home Kankakee" program. In addition, NBSA recently began offering government guaranteed home loan programs through the U.S. Department of Agriculture/Rural Development, and U.S. Department of Veterans Affairs. These programs provide more affordable financing options for low-income borrowers, including low or no down payment requirements.

The overall borrower distribution of home loans originated in 2015-2016 was reasonable. The distribution of loans to moderate-income borrowers was excellent, as it exceeded the demographic comparator. The percentage of loans made to low-income borrowers was significantly lower than the demographic comparator.

Borrower Distribution of Residential Real Estate Loans in the AA 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	20.4	7.2	18.6	21.7	20.2	20.3	40.8	49.3

Source: Sample of 69 home loans originated in the AA between 1/1/2015 and 12/31/2016, and 2010 U.S. Census data. Income information was not available for one loan.

The overall borrower distribution of home loans in 2017 was reasonable, primarily due to the distribution of loans to moderate-income borrowers. The percentage of loans made to moderate-income borrowers was near the demographic comparator. The percentage of loans made to low-income borrowers was significantly lower than the demographic comparator.

Borrower Distribution of Residential Real Estate Loans in the AA in 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	21.9	3.5	17.5	17.2	20.3	24.1	40.3	55.2

Source: Sample of 29 home loans originated in the AA between 1/1/2017 and 12/31/2017, and 2015 ACS U.S. Census data.

Farm Loans

The borrower distribution of farm loans is excellent. The percentage of loans to small farms (farms with gross annual revenues of \$1 million or less) was 100.0 percent for both samples. This exceeds than the demographic comparators.

Borrower Distribution of Loans to Farms in the AA 2015-2016				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	97.6	2.0	0.4	100%
% of Bank Loans in AA by #	100.0	0.0	0.0	100%
% of Bank Loans in AA by \$	100.0	0.0	0.0	100%

Source: Sample of 20 farm loans originated in the AA between 1/1/2015-12/31/2016; 2016 D & B Business Geodemographic Data.

Borrower Distribution of Loans to Farms in the AA in 2017				
Farms Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	97.5	2.1	0.4	100%
% of Bank Loans in AA by #	100.0	0.0	0.0	100%
% of Bank Loans in AA by \$	100.0	0.0	0.0	100%

Source: Sample of 20 farm loans originated in the AA between 1/1/2017-12/31/2017; 2017 D & B Business Geodemographic Data.

Geographic Distribution of Loans

NBSA’s overall geographic distribution of home and farm loans reflects reasonable dispersion among different income tracts throughout the AA. The geographic distribution of both home and farm loans reflects reasonable dispersion in the AA.

We reviewed summary reports and maps, and analyzed NBSA’s home mortgage and small farm lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous gaps. The LMI CTs are primarily located in the city of Kankakee, over 15 miles away from the bank. The community contact noted a lack of public transportation, which could make it difficult for borrowers from the LMI geographies to reach the bank. Competition for loans within the city of Kankakee is strong. NBSA’s deposit market share ranks 19th at only 1.5 percent in the AA.

Home Loans

The overall geographic distribution of home loans is reasonable, primarily due to the findings of the 2017 analysis and consideration of performance context information.

In evaluating the geographic distribution of home loans in the AA, we considered that the number of families with incomes below the poverty level residing in low-income CTs was extremely high at 46.9 percent in 2016 and 40.6 percent in 2017. Families residing in moderate-income CTs that live below the poverty level totaled 19.2 percent in 2016 and 18.1 percent in 2017. Low-income CTs accounted for 9.7 percent of CTs in the AA in 2016 and 19.4 percent in 2017. Moderate-income CTs accounted for 19.4 percent of CTs in the AA in 2016 and 16.1 in 2017.

The geographic dispersion of home loans originated in 2015-2016 was poor. The geographic distribution to both low- and moderate-income CTs was significantly below the demographic comparators.

Geographic Distribution of Residential Real Estate Loans in the AA 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Loans	3.0	1.5	11.4	1.4	61.9	73.9	23.7	23.2

Source: Sample of 69 home loans originated in the AA between 1/1/2015 and 12/31/2016, and 2010 U.S. Census data.

The geographic dispersion of home loans originated in 2017 was reasonable, primarily due to the distribution of loans to moderate-income CTs. The geographic distribution to moderate-income CTs was excellent, as it significantly exceeded the demographic comparator. The distribution in low-income CTs was below the demographic comparator. In 2017, the income designation of the CT in which the village of St Anne is located was changed to moderate-income.

Geographic Distribution of Residential Real Estate Loans in the AA in 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Loans	7.7	3.5	12.2	20.7	47.8	51.7	32.3	24.1

Source: Sample of 29 home loans originated in the AA between 1/1/2017 and 12/31/2017, and 2015 ACS U.S. Census data.

Farm Loans

The geographic distribution of farm loans is reasonable, primarily due to the findings of the 2017 analysis and consideration of performance context information.

The geographic dispersion of farm loans in 2015-2016 was reasonable, primarily due to the distribution of loans to moderate-income CTs. The geographic distribution to moderate-income CTs exceeded the demographic comparator. The distribution in low-income CTs was poor. However, few farms were located in the LMI CTs during the 2015-2016 time period. We noted that the three low-income CTs only had between one and six farms each. The six moderate-income CTs had between zero and five farms each.

Geographic Distribution of Loans to Farms in the AA 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farm Loans	2.7	0.0	3.3	5.0	62.1	80.0	31.9	15.0

Source: Sample of 20 farm loans originated in the AA between 1/1/2015-12/31/2016, and 2016 D & B Business Geodemographic Data.

The geographic dispersion of farm loans originated in 2017 was reasonable, primarily due to the distribution of loans to moderate-income CTs. The geographic distribution to moderate-income CTs was excellent, as it significantly exceeded the demographic comparator. The distribution in low-income CTs was poor. We noted that the six low-income CTs only had between zero and six farms each. In 2017, the income designation of the CT in which the village of St Anne is located was changed to moderate-income. The majority of AA farms in the five moderate-income CTs are in the same CT in which the bank is located. This explains the excellent performance in lending to farms located in the moderate-income CTs in 2017.

Geographic Distribution of Loans to Farms in the AA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farm Loans	3.5	0.0	7.3	45.0	49.8	35.0	39.4	20.0

Source: Sample of 20 farm loans originated in the AA between 1/1/2017-12/31/2017, and 2017 D & B Business Geodemographic Data.

Responses to Complaints

NBSA did not receive any complaints regarding its CRA performance during the assessment period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2015 to 12/31/2017) Investment and Service Tests and CD Loans: N/A	
Financial Institution	Products Reviewed	
National Bank of St. Anne St. Anne, IL	Home and farm loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Kankakee, IL MSA (#28100) and CTs #9501 and #9502 in Iroquois County.	Full- Scope	

Appendix B: Community Profiles for Full-Scope Areas

MSA AA 2016

Demographic Information for Full Scope Area: 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	9.7	19.4	51.6	19.3	0.0
Population by Geography	120,315	7.5	17.0	53.9	21.6	0.0
Owner-Occupied Housing by Geography	30,524	3.0	11.4	61.9	23.7	0.0
Business by Geography	5,349	9.3	15.5	56.6	18.6	0.0
Farms by Geography	451	2.7	3.3	62.1	31.9	0.0
Family Distribution by Income Level	30,212	20.4	18.6	20.2	40.8	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	11,769	12.7	22.1	51.1	14.1	0.0
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		54,840 58156 12.3%		Median Housing Value Unemployment Rate (2010 US Census)	143,257 4.9%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2010 U.S. Census, 2016 FFIEC updated MFI, 2016 D & B Business Geodemographic Data.

MSA AA 2017

Demographic Information for Full Scope Area: 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	19.4	16.1	38.7	25.8	0.0
Population by Geography	119,055	13.6	15.2	42.0	29.2	0.0
Owner-Occupied Housing by Geography	30,318	7.7	12.2	47.8	32.3	0.0
Business by Geography	5,353	15.6	15.3	43.9	25.2	0.0
Farms by Geography	482	3.5	7.3	49.8	39.4	0.0
Family Distribution by Income Level	29,439	21.9	17.5	20.3	40.3	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	11,602	23.3	17.8	40.2	18.7	0.0
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		59,406 61,263 14.2%	Median Housing Value Unemployment Rate (2015 ACS US Census)	135,219 4.8%		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2015 ACS U.S. Census, 2017 FFIEC updated MFI, 2017 D & B Business Geodemographic Data.

The AA consists of the Kankakee, IL MSA (#28100) and two CTs (#9501 and #9502) in Iroquois County in IL. The AA is located in northeast IL, approximately 60 miles south of Chicago, IL. Both Kankakee and Iroquois Counties border the state of Indiana. The CTs in Iroquois County, which is a non-MSA, are adjacent to the MSA and do not substantially exceed the MSA border. It would be difficult for the bank to service all of Iroquois County with no branches located in that county. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. In 2016 there were three low-income and six moderate-income CTs in the AA. In 2017 there were six low-income and five moderate-income CTs in the AA. NBSA is located in a moderate-income CT in the far southeast corner of the MSA, approximately 15 miles from the city of Kankakee.

The 2015 ACS updated median family income and changed the income designations of nine CTs in the AA for 2017. Between 2016 and 2017, three CTs (#110, #115, and #117) became low-income, two CTs (#111 and #121) became moderate-income, and four CTs (#101, #107.01, #112, and #126) became upper income.

Competition in the AA comes from 26 FDIC-insured depository institutions. Competition also includes 17 credit unions and nine mortgage companies. As of June 30, 2017,

NBSA's deposits in the AA totaled \$41.0 million, which is 1.5 percent of the total deposits within the market. NBSA's deposit market share ranks 19 out of 26 depository institutions. The top four depository institutions account for 37.3 percent of total deposits in the AA. The depository institution with the highest deposit market share is HomeStar Bank and Financial Services.

Employment and Economic Factors

According to the Bureau of Labor Statistics, unemployment in the AA was 5.0 percent in December 2017, which is decreased from a peak of 10.2 percent during this evaluation period. The state and national unemployment rates were 4.7 and 4.1 percent, respectively, in December 2017. Similarly, the state and national unemployment rates have fallen from 8.9 percent and 7.2 percent, respectively, for the same period.

The percentage of families in the AA living below the poverty level is 12.3 percent. Families residing in low-income CTs that live below the poverty level total 40.6 percent. Families residing in the moderate-income CTs that live below the poverty level total 18.1 percent. Low-income geographies account for 19.4 percent and moderate-income geographies account for 16.1 percent of the CTs in the AA based on the 2015 ACS U.S. Census.

Per Moody's Analytics, Kankakee's economy is recovering thanks to some recent factory expansions. Industries driving the local economy include healthcare, manufacturing, agriculture, and retail trade. The largest employers in the AA are Riverside Medical Center, CSL Behring, Shapiro Developmental Center, CIGNA Corp, and Presence St Mary's Hospital. Businesses in the AA are 77.9 percent small businesses with gross annual revenues of \$1 million or less, 6.8 percent businesses with gross annual revenues over \$1 million, and 15.3 percent where businesses did not report revenue information. Businesses in the AA are located 15.6 percent in low-income CTs and 15.3 percent in moderate-income CTs based on the 2017 D & B Business Geodemographic data. Farms in the AA are 97.5 percent small farms with gross annual revenues of \$1 million or less. Only 3.5 percent of AA farms are located in low-income CTs, and 7.3 percent in moderate-income CTs.

Housing

Only 28 percent of total housing units in the AA are in the LMI geographies. According to the 2015 ACS U.S. Census, housing units in the low-income CTs were 33.1 percent owner occupied (2,331 units), 47.1 percent rentals (3,316 units), and 19.8 percent vacant (1,391 units). Housing units in the moderate-income CT were 56.3 percent owner occupied (3,701 units), 34.7 percent rentals (2,278 units), and 9.0 percent vacant (591 units). The median monthly gross rent in the AA was \$818. The median age of housing units in the low-income CTs is 58 years and is 56 years in moderate-income CTs. The median housing value in the AA is \$135,219, according to 2015 ACS U.S. Census.

Community Contact

We performed one community contact with a government agency in the AA, and reviewed another recent community contact with a different government agency in the

AA. Identified credit needs include affordable housing for LMI individuals and families, down payment and closing cost assistance programs, home ownership education and credit counseling services, and small business credit. Other identified needs include more public transportation to reach jobs in the suburbs. The city of Kankakee offers several homebuyer assistance and home repair programs for LMI families.