

PUBLIC DISCLOSURE

January 21, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CIBM Bank
Certificate Number: 11729

2913 W Kirby Ave
Champaign, Illinois 61821

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

TABLE OF CONTENTS

INSTITUTION RATING	1
DESCRIPTION OF INSTITUTION	1
DESCRIPTION OF ASSESSMENT AREAS.....	3
SCOPE OF EVALUATION.....	3
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	11
STATE OF ILLINOIS	12
DESCRIPTION OF INSTITUTION’S OPERATIONS IN ILLINOIS.....	12
SCOPE OF EVALUATION - ILLINOIS.....	12
CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS.....	12
CHICAGO ASSESSMENT AREA – Full-Scope Review	14
OTHER ILLINOIS ASSESSMENT AREAS – Limited-Scope Review.....	30
STATE OF WISCONSIN.....	32
DESCRIPTION OF INSTITUTION’S OPERATIONS IN WISCONSIN	32
SCOPE OF EVALUATION – WISCONSIN.....	35
CONCLUSIONS ON PERFORMANCE CRITERIA IN WISCONSIN	35
STATE OF INDIANA.....	43
DESCRIPTION OF INSTITUTION’S OPERATIONS IN INDIANA.....	43
SCOPE OF EVALUATION – INDIANA.....	47
CONCLUSIONS ON PERFORMANCE CRITERIA IN INDIANA	47
APPENDICES	54
SUMMARY OF RATINGS FOR RATED AREAS	55
ADDITIONAL INFORMATION ON THE LIMITED-SCOPE ASSESSMENT AREAS IN ILLINOIS.....	55
GLOSSARY	70

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 ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs.
- The bank made a majority of its home mortgage and small business loans in the assessment areas.
- The geographic distribution of home mortgage and small business loans reflects reasonable dispersion throughout the assessment areas.
- The distribution of loans to borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.
- The institution did not receive any CRA-related complaints since the prior evaluation; therefore, this factor did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution demonstrated 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 assessment areas.

Discriminatory or Other Illegal Credit Practices

No violations of the substantive provisions of the anti-discriminatory laws and regulations or other illegal credit practices were identified during the evaluation.

DESCRIPTION OF INSTITUTION

Background

CIBM Bank (CIBM) is chartered in Champaign, Illinois, and is a wholly owned subsidiary of CIB Marine Bancshares, Inc., of Brookfield, Wisconsin, a one-bank holding company. CIBM operates

in east-central Illinois, northern Illinois, central Indiana, and southeastern Wisconsin. Other than the holding company, there are no lending affiliates. The bank received an overall Satisfactory rating on its prior FDIC Performance Evaluation dated June 21, 2022, utilizing Interagency Intermediate Small Institution Examination Procedures.

Operations

CIBM operates nine full-service branches in its assessment areas including six in Illinois, one in Indiana, and two in Wisconsin. Since the prior evaluation, CIBM closed one branch on September 15, 2023, in Danville, Illinois in an upper-income census tract. No merger or acquisition activities have occurred since the prior examination.

In addition, the bank has five loan production offices (LPOs) which primarily originate home mortgage loans. One LPO is located within the bank's assessment area, in an upper-income census tract in Naperville, Illinois. The other four LPOs are outside of the bank's assessment areas and include one location each in Sheboygan, Wisconsin; Agawam, Massachusetts; Morristown, New Jersey; and Cranston, Rhode Island.

CIBM offers loan products including commercial, agricultural, home mortgage, and consumer loans, primarily focusing on home mortgage and commercial lending. The bank provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. The bank provides alternative delivery channels to serve its customers, including bank-owned ATMs at the branches, online banking, online bill payment, mobile banking, and telephone banking. The bank's website is www.cibmbank.com. Business services include remote deposit capture, lockbox, merchant services, online money management, disbursement services, and automatic sweep services. The bank also participates in three surcharge-free ATM networks where customers can use ATMs owned by other participating banks without incurring usage fees.

Ability and Capacity

According to the bank's Call Report dated September 30, 2024, the bank's assets totaled \$880.5 million and included total loans of \$726.7 million, total securities of \$118.1 million, total deposits of \$755.3 million, and total equity capital of \$86.2 million. Commercial and residential loans are the largest concentrations of the bank's lending activity. The following table shows that loans secured by nonfarm nonresidential properties and commercial and industrial loans make up 54.6 percent of total loans, and 1-4 family residential mortgage loans make up 31.9 percent of total loans. CIBM also originates and sells a significant number of home mortgage loans to the secondary market.

Loan Portfolio Distribution as of 9/30/2024		
Loan Category	\$(000s)	%
Construction and Land Development	44,093	6.1
Secured by Farmland	397	0.1
Secured by 1-4 Family Residential Properties	231,787	31.9
Secured by Multifamily (5 or more) Residential Properties	47,404	6.5
Secured by Nonfarm Nonresidential Properties	309,698	42.6
Total Real Estate Loans	633,379	87.2
Commercial and Industrial Loans	87,232	12.0
Agricultural Loans	0	0.0
Consumer Loans	42	<0.1
Other Loans	6,028	0.8
Less: Unearned Income	0	0.0
Total Loans	726,681	100.0
<i>Source: Reports of Condition and Income</i>		

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. CIBM has designated six separate assessment areas for this evaluation. At the last evaluation the bank had seven assessment areas; however, the closure of the Danville branch in 2023 removed the Danville Metropolitan Statistical Area (MSA) assessment area from the bank’s operations. These assessment areas do not arbitrarily exclude any low- or moderate-income census tracts, do not reflect illegal discrimination, and otherwise meet the requirements of the CRA regulations. A more detailed discussion of each assessment area, including economic and demographic data, competition, and community contacts, can be found in the separate assessment area sections of this evaluation.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated June 21, 2022, to the current evaluation dated January 21, 2025. Examiners used the Interagency Intermediate Small Institution Examination Procedures to evaluate CIBM’s CRA performance. These procedures include two tests: the Small Bank Lending Test and the Community Development Test. The first Appendix contains performance criteria for each test. Banks must achieve a rating of at least “Satisfactory” under each test to obtain an overall “Satisfactory” rating.

This evaluation includes an overall rating, a State of Illinois rating, a State of Wisconsin rating, and a State of Indiana rating, in accordance with IBBEA guidelines. In arriving at overall performance conclusions, examiners weighed each rated area separately based on the proportion of bank

operations and lending activity in each area. The rated areas in order from greatest to least weight are as follows: Illinois, Wisconsin, and Indiana.

The bank’s loan and deposit production in the State of Illinois significantly exceeded the production in Indiana and Wisconsin. The following table details the distribution of branches, loans, and deposits by assessment area. The table also shows which areas received full-scope reviews and which received limited-scope reviews. The bank’s performance in Illinois contributes more weight to the bank’s overall CRA rating and is heavily influenced by the bank’s performance in the Chicago and Champaign assessment areas due to greater volume of home mortgage loans, deposits, and branches.

Assessment Areas by Number of Branches, Loans, Deposits, and Type of Review									
Assessment Area	Branches		Home Mortgage Loans		Small Business Loans		Deposits		Type of Review
	#	%	#	%	#	%	\$(000s)	%	
Chicago	1	11.1	478	60.4	87	45.3	25,855	4.2	Full-Scope
Champaign	3	33.3	11	1.4	13	6.8	298,881	48.2	Limited-Scope
Peoria	1	11.1	67	8.5	10	5.2	56,877	9.2	Limited-Scope
Bloomington	1	11.1	23	2.9	1	0.5	74,662	12.0	Limited-Scope
Subtotal Illinois	6	66.6	579	73.2	111	57.8	456,275	73.6	
Wisconsin	2	22.2	148	18.7	67	34.9	140,878	22.7	Full-Scope
Indiana	1	11.1	64	8.1	14	7.3	22,812	3.7	Full-Scope
Total	9	100.0	791	100.0	192	100.0	619,965	100.0	

Source: 2022-2023 HMDA, Bank Records, 6/30/23 Summary of Deposits. Due to rounding, totals may not equal 100.0%

Examiners relied upon records provided by the bank, U.S. Census data, D&B demographic data, and community contacts. CIBM’s CRA performance was analyzed in relation to the bank’s performance context, which includes (but is not limited to) bank size and structure, financial condition, loan mix, resources, limitations, assessment area demographics, economic factors, competition, loan demand, and available opportunities.

Activities Reviewed

Within the Lending Test, examiners reviewed the number and dollar volume of CIBM’s home mortgage and small business loans. Small farm, consumer, or any other loan types do not account for a significant portion of loans; thus, they were not reviewed.

Home mortgage loans consist of home purchase, home improvement, refinance, and multifamily loans reported pursuant to the Home Mortgage Disclosure Act (HMDA) requirements for 2022-2023. CIBM originated 684 home mortgage loans totaling \$179.5 million in 2022 and 905 loans totaling \$269.3 million in 2023. Examiners used the 2022 and 2023 HMDA data to review the bank’s home mortgage lending performance. Examiners did not review 2024 HMDA data as at the time of evaluation, the data was not yet reported.

CIBM's small business lending included a universe of 173 loans totaling \$43.7 million in 2023 and 133 loans totaling \$27.7 million in 2024. Examiners reviewed a random sample of 115 loans totaling \$27.6 million in 2023 and 118 loans totaling \$27.0 million in 2024.

When analyzing home mortgage lending, this evaluation presents aggregate loan information for 2022 and 2023 for comparison purposes for home mortgage. Demographic data from the 2020 U.S. Census is used as an additional measure of comparison for the bank's home mortgage lending. For small business loans, D&B demographic data from each year was used as a measure of comparison. The bank is not required to collect or report small business data, pursuant to the data collection requirements of the CRA, and direct comparisons to aggregate CRA data were not made.

When analyzing performance for home mortgage under the Geographic and Borrower Distribution criterion, examiners applied more weight on comparisons to aggregate data. Aggregate data generally provides a better indication of actual opportunities in an area as it represents the performance of all lenders. The demographics (percent of owner-occupied dwellings, percent of businesses, the percent of families, and the percentage of businesses with revenues under \$1 million) represents all possible borrowers, not just those actually interested in or that can qualify for a loan.

The bank's record of originating home mortgage loans contributed more weight to overall conclusions due to the larger loan volume when compared to small business lending during the evaluation period. This conclusion considered the bank's business focus and the number and dollar volume of annual originations. In the Champaign assessment area, based on volume, home mortgage and small business loans were evenly weighted.

When deciding the Lending Test rating, more weight was given to the geographic distribution of loans and borrower profile than loan-to-deposit ratio and assessment area concentration. These two factors are more important because they most directly show how well the bank serves the traditionally underserved segments of the population. Examiners emphasized performance by number of loans, because the number of loans is a better indicator of the number of individuals and businesses served.

Within the Community Development Test, bank management provided data on community development (CD) loans, qualified investments, and services since the prior CRA evaluation dated June 21, 2022. Prior period investments that remain on the bank's books as of January 21, 2025, are included.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

An overall "Satisfactory" rating is assigned under the Lending Test. This rating is consistent with each rated area. The overall conclusion is supported by a more than reasonable loan-to-deposit ratio, a majority of loans in the assessment area, and reasonable performance under both the borrower distribution and geographic distribution criterion.

Loan-to-Deposit Ratio

The bank’s loan-to-deposit ratio is more than reasonable given the institution’s size, financial condition, and assessment area credit needs. The bank’s loan-to-deposit ratio, calculated from Call Report data, averaged 94.8 percent over the past ten calendar quarters from June 30, 2022, to September 30, 2024. CIBM’s ratio ranged from a high of 106.4 percent to a low of 83.6 percent.

Examiners compared the bank’s loan-to-deposit ratio to seven similarly-situated banks (SSBs) based on asset size, geographic location, lending focus, and information from bank management. The SSBs averaged 80.6 percent, ranging from a low of 54.0 to a high of 93.5 percent. CIBM’s loan-to-deposit ratio exceeded all the SSBs.

Assessment Area Concentration

Overall, the bank originated a majority of its loans by both number and dollar amount within its assessment areas. The below table reflects the bank’s home mortgage loans inside and outside the assessment areas for 2022-2023 and sampled small business loans for 2023-2024.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2022	386	56.4	298	43.6	684	112,171	62.5	67,323	37.5	179,494
2023	405	44.8	500	55.2	905	115,541	42.9	153,790	57.1	269,331
Subtotal	791	49.8	798	50.2	1,589	227,712	50.7	221,113	49.3	448,825
Small Business										
2023	91	79.1	24	20.9	115	20,702	75.1	6,857	24.9	27,559
2024	101	85.6	17	14.4	118	23,845	88.3	3,152	11.7	26,997
Subtotal	192	82.4	41	17.6	233	44,547	81.7	10,009	18.3	54,556

Source: Bank Data. Due to rounding, totals may not equal 100.0%

In 2022, the bank originated a majority of home mortgage loans by number and dollar amount within its assessment areas; however, in 2023, a majority by number and dollar volume were outside the assessment area. In 2023, overall loan volume increased by 32.3 percent while the number of loans inside the assessment areas increased by 4.9 percent; however, the number of loans outside the assessment areas increased at a greater rate, increasing by 67.8 percent due to addition of LPOs located outside of the assessment areas in 2023.

Taken together, for both years of home mortgage lending, a slight majority were outside of the assessment areas by number and a majority were in the assessment areas by dollar amount.

For small business loans, a majority of lending occurred within the bank's assessment areas in each year.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. This conclusion is supported by reasonable performance in the Illinois, Wisconsin, and Indiana rated areas. Refer to the separate assessment area sections of this evaluation for more detailed information.

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among retail customers of different income levels and businesses of different sizes. This conclusion is supported by reasonable performance in the Illinois, Wisconsin, and Indiana rated areas. Refer to the separate assessment area sections of this evaluation for more detailed information.

Flexible Lending Programs

CIBM has continued to maintain two internally developed loan programs that are targeted to low- and moderate-income (LMI) borrowers and/or geographies or small businesses. These programs are available in all of the bank's assessment areas and enhance CIBM's ability to serve area credit needs.

Affordable Loan Program (ALP) – This internally created loan program is restricted to LMI borrowers or properties located in LMI geographies. Properties may be either owner-occupied or investment 1-4 family homes, with homeownership education required for all owner-occupied properties. The required credit score has been adjusted downward and currently must be at least 660. For applicants with minimal credit history, their payment history on rent, utilities, and other payments is considered. The bank provides grants to cover origination charges of up to \$1,125. Additional grants of up to \$3,000 are eligible for closing cost and down payment assistance for low-income borrowers and for properties in low-income census tracts. Since the last evaluation, CIBM originated eighteen ALP loans.

In addition, some borrowers may qualify for grants provided by nonprofit or government entities to further assist with down payments. CIBM has partnered with the Illinois Down Payment Assistance Program, Wisconsin Housing and Economic Development Authority (WHEDA), Federal Home Loan Bank (FHLB) Down Payment Plus Program, Illinois Assist Program, and the City of Chicago's Public Safety Officer or First Responder Home Buyer Assistance Program to provide these grants. The bank also refers eligible borrowers to the City of Chicago's Micro Market Recovery Program.

Fast Track Business Loan Program – This internally created program was launched in October 2017. The bank began offering term loans and lines of credit ranging from \$15,000 to \$100,000 for various business purposes. This program includes a streamlined underwriting process with credit

decisions made within two business days. Since the prior evaluation, CIBM originated thirty-six of these loans.

In addition, CIBM offers various home mortgage lending products through the FHA, VA, and USDA, Illinois Housing Development Authority, WHEDA, as well as small business loans through the SBA.

Response to Complaints

CIBM did not receive any CRA-related complaints since the prior evaluation. Therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

An overall “Satisfactory” rating is assigned under the Community Development Test. CIBM’s community development performance demonstrates adequate responsiveness to community development needs in its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for community development in the institution’s assessment areas. The conclusion is supported by adequate responsiveness the Illinois and Indiana rated areas and excellent responsiveness in the Wisconsin rated area.

Community Development Loans

CIBM originated twenty-five community development loans totaling \$52.9 million, accounting for 8.1 percent of average net loans over the ten quarters since the last examination. This is an increase by dollar amount from the prior examination when the bank reported thirty loans totaling \$35.1 million.

Examiners compared CIBM’s performance to five SSBs. The SSBs were chosen due to their asset size, business focus, recency of the last CRA evaluation, and markets served. The five SSB’s had average community development loans to average net loans ratio of 9.1 percent. The SSBs ranged from a low of 3.7 percent to a high of 18.0 percent. While CIBM’s ratio was above two of the five banks and below three, all the SSBs received favorable ratings for Community Development on their most recent examination. The following tables provide details on CIBM’s community development lending by year and assessment area.

Overall Community Development Lending by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (Partial)	4	16,315	1	2,100	3	1,493	2	4,210	10	24,118
2023	1	750	-	-	5	8,373	1	3,179	7	12,302
2024	-	-	-	-	6	9,230	2	7,229	8	16,459
Total	5	17,065	1	2,100	14	19,096	5	14,618	25	52,879

Source: Bank Data

Overall Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize Or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Bloomington	-	-	-	-	-	-	1	4,185	1	4,185
Champaign	-	-	-	-	2	4,000	-	-	2	4,000
Chicago	3	5,025	-	-	3	1,504	-	-	6	6,529
Peoria	-	-	-	-	1	805	4	10,433	5	11,238
Illinois Total	3	5,025	-	-	6	6,309	5	14,618	14	25,952
Indianapolis	-	-	-	-	-	-	-	-	-	-
Milwaukee	2	12,040	1	2,100	8	12,787	-	-	11	26,927
Totals	5	17,065	1	2,100	14	19,096	5	14,618	25	52,879

Source: Bank Data

Qualified Investments

CIBM originated sixty-eight qualified investments and donations totaling \$13.0 million. This represents 10.6 percent of average total securities over the ten quarters since the last examination. This level is below the level at the prior evaluation when CIBM reported 195 qualified investments and donations totaling \$15.7 million.

Examiners compared CIBM’s performance to five SSBs. The five SSBs had an average qualified investment to average total securities ratio of 3.6 percent and ranged from a low of 0.2 percent to a high of 11.8 percent. CIBM’s ratio exceeded all but one of the SSBs. The following tables provide details on CIBM’s qualified investments and donations by year and assessment area.

Overall Qualified Investments by Year										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	1,184	-	-	-	-	-	-	2	1,184
2022	1	962	-	-	-	-	-	-	1	962
2023	14	4,654	-	-	-	-	-	-	14	4,654
2024	14	6,116	-	-	-	-	-	-	14	6,116
Subtotal	31	12,916	-	-	-	-	-	-	31	12,916
Qualified Grants & Donations	3	5	31	58	3	3	-	-	37	66
Total	34	12,921	31	58	3	3	-	-	68	12,982

Source: Bank Data

Overall Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Bloomington	4	1,685	5	4	-	-	-	-	9	1,689
Champaign	6	1,123	8	9	-	-	-	-	14	1,132
Chicago	5	2,986	8	16	-	-	-	-	13	3,002
Peoria	1	758	1	5	-	-	-	-	2	763
Illinois Total	16	6,552	22	34	-	-	-	-	38	6,586
Indianapolis	10	2,232	2	10	-	-	-	-	12	2,242
Milwaukee	8	4,137	7	14	3	3	-	-	18	4,154
Totals	34	12,921	31	58	3	3	-	-	68	12,982

Source: Bank Data

Community Development Services

Bank employees provided ninety-one instances of financial expertise or technical assistance to community development-related organizations during the ten-quarter evaluation period. This level of activity includes one instance that was made in the Danville MSA prior to the bank closing its branch office in this area and is included in the below table within regionwide activities. The bank’s level of community development services is below but similar to the 115 instances provided during the twelve quarters at CIBM’s prior evaluation.

Examiners compared CIBM’s performance to five SSBs which had an average of 55 community services. The SSBs ranged from a low of thirteen to a high of 133 services. CIBM’s ratio exceeded all but one of the SSBs. The below tables provide details on CIBM’s community development services by year and assessment area.

In addition to community development services, one banking office in the Champaign assessment area is in a low-income census tract. This location increases the availability of banking services to low- and moderate-income individuals in that assessment area.

All Community Development Services by Year					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize Or Stabilize	Totals
2022 (partial)	3	9	5	0	17
2023	6	21	3	0	30
2024	6	29	9	0	44
Totals	15	59	17	0	91

Source: Bank Data

All Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Bloomington	0	10	0	0	10
Champaign	8	11	4	0	23
Chicago	4	5	0	0	9
Peoria	0	6	0	0	6
Illinois Total	12	32	4	0	48
Indianapolis	3	12	1	0	16
Milwaukee	0	14	12	0	26
Regionwide Activities	0	1	0	0	1
Total	15	59	17	0	91
<i>Source: Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No violations of the substantive provisions of the anti-discriminatory laws and regulations or other illegal credit practices were identified during the evaluation.

STATE OF ILLINOIS

CRA RATING FOR ILLINOIS: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS

The Illinois rated area contains the largest portion of bank operations among the three rated areas. Of the bank's nine office locations, six are located in Illinois, as is one of the bank's LPOs. As detailed previously in the Scope of the Evaluation section, this rated area contains nearly three quarters of home mortgage activity, more than half of all small business activity, and nearly three quarters of the bank's total deposits. The majority of the bank's qualified community development loans, investments, and services are also in Illinois. Refer to the individual sections for the details on the Illinois assessment areas.

SCOPE OF EVALUATION - ILLINOIS

The scope of the evaluation in the Illinois rated area includes a full-scope evaluation of the bank's performance in the Chicago assessment area and limited-scope reviews of performance in the Champaign, Bloomington, and Peoria assessment areas. Of all of the bank's assessment areas, the Chicago assessment area contains the largest proportion of lending activity. As such, performance in this assessment area carried the most weight in arriving at overall conclusions for the Illinois rated area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS

LENDING TEST

An overall "Satisfactory" rating is assigned under the Lending Test. This rating is consistent with performance in the most heavily weighted rated Chicago assessment area. This conclusion is supported by a reasonable performance under both the borrower distribution and geographic distribution criterion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Illinois rated area. This conclusion is supported by reasonable performance in the full-scope area and consistent performance in the limited scope areas. Refer to the separate assessment area sections of this evaluation for more detailed information.

Borrower Profile

The distribution of loans to borrowers reflects reasonable penetration among retail customers of different income levels and businesses of different sizes. This conclusion is supported by reasonable performance in the full-scope area and consistent performance in the limited scope areas. Refer to the separate assessment area sections of this evaluation for more detailed information.

COMMUNITY DEVELOPMENT TEST

CIBM demonstrated adequate responsiveness to the community development needs of the Illinois assessment areas through qualified community development loans, investments, and services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

CIBM originated 14 community development loans totaling \$26.0 million in the Illinois rated areas. This level accounts for 56.0 percent by number and 49.1 percent by dollar of total community development lending. Community development lending is similar to the previous exam when CIBM originated 14 loans totaling \$26.6 million. The current level of community development loans is consistent with the bank’s presence in the area. The table below provides details:

Community Development Lending – Illinois Rated Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (Partial)	2	4,275	0	0	1	364	2	4,210	5	8,849
2023	1	750	0	0	3	3,612	1	3,179	5	7,541
2024	0	0	0	0	2	2,333	2	7,229	4	9,562
Total	3	5,025	0	0	6	6,309	5	14,618	14	25,952

Source: Bank Records

Qualified Investments

The bank has 38 qualified investments totaling \$6.6 million for the current evaluation in the Illinois rated area, including prior period investments and qualified donations. This level of activity represents 55.9 percent by number and 50.7 percent by dollar of all qualified investments made in the bank’s assessment areas. This level is less by dollar than the 110 qualified investments and donations totaling \$8.2 million at the prior exam and is less but generally consistent with the bank’s presence in the State of Illinois. The following table details the bank’s qualified investments and donations by year and purpose. The investments in the Affordable Housing category relate to mortgage-backed securities that are secured by home mortgage loans to low- and moderate-income individuals. Refer to the separate assessment area sections of this evaluation for more information.

Qualified Investments – Illinois Rated Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	1,060	0	0	0	0	0	0	1	1,060
2022	0	0	0	0	0	0	0	0	0	0
2023	4	1,467	0	0	0	0	0	0	4	1,467
2024	9	4,022	0	0	0	0	0	0	9	4,022
Subtotal	14	6,549	0	0	0	0	0	0	14	6,549
Donations & Grants	2	3	22	34	0	0	0	0	24	37
Total	16	6,552	22	34	0	0	0	0	38	6,586

Source: Bank Data

Community Development Services

Bank representatives provided 48 instances of financial expertise or technical assistance to community development-related organizations in the Illinois rated area during the evaluation period. This level of community development services represents 52.7 percent of total community development services, which is less but generally consistent than CIBM’s presence in the area. At the prior evaluation, bank representatives provided 54 community development services in this rated area. CIBM also operates one branch in a low-income tract in the Champaign assessment area. The following table provides details:

Community Development Services – Illinois Rated Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022 (partial)	2	3	2	0	7
2023	5	11	1	0	17
2024	5	18	1	0	24
Total	12	32	4	0	48

Source: Bank Records

CHICAGO ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN CHICAGO ASSESSMENT AREA

This assessment area is referred to as the Chicago assessment area and consists of Cook and DuPage counties in the Chicago-Naperville-Schaumburg, IL Metropolitan Division (MD) plus Kane County in the Elgin, IL MD. This assessment area is located in northeastern Illinois. CIBM maintains one branch and one mortgage LPO in the assessment area. The assessment area accounts for 11.1 percent of branches, 60.4 percent of home mortgage activity, 45.3 of small business lending activity, and 4.2 percent of total deposits.

Economic and Demographic Data

This assessment area includes all 1,655 census tracts in Cook, DuPage, and Kane counties. These tracts reflect the following income designations according to the 2020 U.S. Census:

- 227 low-income census tracts
- 403 moderate-income census tracts
- 489 middle-income census tracts
- 518 upper-income census tracts
- 18 census tracts with no income designation

There are 38 additional census tracts at this evaluation as compared to the last evaluation that used 2015 American Community Survey data, as a result of the creation of new census tracts in the counties due to the 2020 U.S. Census. Compared to the last evaluation, there are 32 fewer low-income census tracts, 17 fewer moderate-income census tracts, 65 more middle-income census tracts, 17 more upper-income census tracts, and five more census tracts with no income designation. The decline in low- and moderate-income census tracts results in less opportunity for lending in these census tract categories.

Additional notable demographic changes compared to the last evaluation include a 0.5 percent increase in the total population and 2.7 percentage point decline in the poverty rate. Additionally, median housing values increased by 16.2 percent and median gross rent by 18.5 percent.

The vast majority of the low- and moderate-income census tracts are located in Cook County. The bank has one branch office in the Chicago assessment area, located in DuPage County. This assessment area includes 90.0 percent of the total population of the Illinois assessment areas. Additional demographic information is shown in the following table.

Demographic Information of the Assessment Area						
Chicago Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,655	13.7	24.4	29.5	31.3	1.1
Population by Geography	6,724,940	10.6	24.5	32.0	32.4	0.5
Housing Units by Geography	2,749,011	10.8	23.4	31.6	33.6	0.6
Owner-Occupied Units by Geography	1,526,862	5.5	20.2	35.2	38.7	0.3
Occupied Rental Units by Geography	990,771	16.3	27.8	27.8	27.1	0.9
Vacant Units by Geography	231,378	21.5	26.0	23.8	27.8	0.8
Businesses by Geography	859,287	6.2	17.9	30.5	44.8	0.6
Farms by Geography	9,421	5.4	19.9	33.3	41.0	0.4
Family Distribution by Income Level	1,557,203	24.6	16.6	18.6	40.2	0.0
Household Distribution by Income Level	2,517,633	26.7	15.5	16.6	41.3	0.0
Median Family Income MSA - 16984 Chicago-Naperville-Schaumburg, IL		\$92,622	Median Housing Value			\$290,335
Median Family Income MSA - 20994 Elgin, IL		\$97,326	Median Gross Rent			\$1,242
			Families Below Poverty Level			8.9%
Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

There are 2.7 million housing units in the assessment area, of which 55.5 percent are owner-occupied, 36.0 percent are rental-occupied, and 8.4 percent are vacant. In addition, 30.6 percent of housing units are multifamily (five or more units).

The Federal Financial Institutions Examination Council (FFIEC) -updated median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories are presented in the following table. The categories are based on the 2022-2023 FFIEC-updated median family income for the Chicago-Naperville-Arlington Heights MD and Elgin MD.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Chicago-Naperville-Evanston, IL Median Family Income (16984)				
2022 (\$105,700)	<\$52,850	\$52,850 to <\$84,560	\$84,560 to <\$126,840	≥\$126,840
2023 (\$109,800)	<\$54,900	\$54,900 to <\$87,840	\$87,840 to <\$131,760	≥\$131,760
Elgin, IL Median Family Income (20994)				
2022 (\$111,900)	<\$55,950	\$55,950 to <\$89,520	\$89,520 to <\$134,280	≥\$134,280
2023 (\$113,500)	<\$56,750	\$56,750 to <\$90,800	\$90,800 to <\$136,200	≥\$136,200
<i>Source: FFIEC</i>				

According to 2024 D&B data, 859,287 non-farm businesses are located in the assessment area. Gross annual revenues for these businesses are as follows:

- 90.5 percent of businesses have revenues of \$1 million or less
- 3.5 percent of businesses have more than \$1 million in revenues
- 6.0 percent of businesses did not report their revenues

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by the level of gross annual revenues. Service industries are the largest portion of businesses at 32.9 percent; followed by non-classifiable establishments (29.4), finance, insurance, and real estate (10.7 percent); retail trade (8.9 percent); transportation and communication (6.5 percent); and construction (5.1 percent). In addition, 57.0 percent of businesses have four or fewer employees, and 93.2 percent operate from a single location.

Prior to the last evaluation, the COVID-19 pandemic considerably affected local and global environments. The stay-at-home orders and temporary closures of non-essential businesses that became effective in March 2020 caused significant hardships for both individuals and businesses as reflected in the high average unemployment rates for 2020 with significant decline in 2021. Unemployment rates further declined in 2022 with little change in 2023 and a slight increase in 2024. The following table outlines the average annual (not seasonally adjusted) unemployment rates in counties located in the bank’s assessment area during 2022, 2023, and 2024.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Cook County, Illinois	4.9	4.4	5.4
DuPage County, Illinois	3.5	3.4	4.2
Kane County, Illinois	4.7	5.1	5.5
State of Illinois	4.6	4.5	5.1
National Average	3.7	3.6	4.0
<i>Source: Bureau of Labor Statistics.</i>			

Competition

The Chicago assessment area is a highly competitive market. According to 2023 PCi Corporation deposit market share information derived from FDIC and National Credit Union Administration (NCUA) deposit data, there were 219 financial institutions operating 1,577 offices within the assessment area. The top five institutions collectively capture 61.3 percent deposit market share. CIBM ranked 141st with less than 0.1 percent of the deposit market share.

The assessment area contains numerous bank and non-bank lenders providing home mortgage and small business loans in the assessment area. According to 2023 HMDA aggregate data 881 lenders originated or purchased 181,750 home mortgage loans. CIBM ranked 86th with a 0.2 percent market share.

CIBM is not required to collect or report small business lending data. As such, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects the level of competition for small business loans. According to 2023 aggregate CRA Small Business loan data, 241 lenders originated 192,380 small business loans.

Community Contacts

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also helps to show what credit and community development opportunities are available. Examiners reviewed recent two contacts with individuals from organizations who operate within the assessment area. The first contact stated that needs exist for small business lending, capital to fund new and ongoing projects, and financial literacy.

The second contact stated that people are moving out of the Chicago metro area for better overall affordability and less crime. The contact stated that the local economy is growing steadily, but it is not keeping up with the increase in the cost of living. The contact further stated that there have been some new housing starts recently; however, housing affordability is decreasing. The contact stated there seems to be an increase in homelessness, more people struggling to make payments, and more people moving in with other family members.

The second contact stated that the primary credit needs of the community are primarily related to living expenses and financial literacy. There is a need for mortgage assistance, credit building loans, micro-loans, down payment assistance programs, and more financial literacy classes. Further, information on balancing a checkbook and helping people understand the effects of gambling is also needed throughout the community. The contact also discussed the number of unbanked people that their organization works with who are hesitant to go to a bank due to a lack of trust in area institutions.

Credit and Community Development Needs and Opportunities

Considering the information from the community contacts, demographic data, and discussions with bank management, examiners determined that community development needs in the assessment area include affordable housing, small business lending, and financial literacy for small businesses and consumers. In addition, the need for credit building, helping with living expenses, and financial literacy were also identified by the community contacts as opportunities for participation by local financial institutions. The high level of low- and moderate-income families (41.2 percent) along with the percentage of businesses with revenues of \$1 million or less (90.5 percent) supports these needs.

The assessment area provides numerous opportunities for involvement in community development activities. The Chicago metropolitan area contains empowerment zones and tax increment financing districts designated by local or state government entities for revitalization, stabilization or economic development. These areas are established to stimulate economic activities that include job preservation, job creation, business development, and residential development. Additionally, the State of Illinois and local community organizations sponsor various programs to support affordable housing and economic development.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CHICAGO ASSESSMENT AREA

LENDING TEST

The bank's lending performance reflects reasonable responsiveness to the credit needs in the Chicago assessment area. Reasonable performance within the geographic distribution and borrower profile criterion supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Chicago assessment area. The conclusion is supported by reasonable performance in both home mortgage and small business lending.

Home Mortgage Lending

The geographic distribution of loans reflects reasonable dispersion throughout the Chicago assessment area. The bank's performance in both low- and moderate-income tracts supports this conclusion.

For low-income census tracts, the bank's performance was slightly below aggregate in 2022. In 2023, the bank's performance declined and was below aggregate. For moderate-income census tracts, the bank's performance was below aggregate in both 2022 and 2023. The following table shows the bank's performance by income category and includes the percentage of families within each income level as well as aggregate HMDA data.

Geographic Distribution of Home Mortgage Loans						
Chicago Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	5.5	5.4	11	4.7	6,646	9.7
2023	5.5	6.3	2	0.8	281	0.4
Moderate						
2022	20.2	18.6	35	15.1	6,985	10.2
2023	20.2	19.6	38	15.4	7,410	9.9
Middle						
2022	35.2	34.0	85	36.6	21,503	31.3
2023	35.2	34.2	108	43.9	28,497	38.2
Upper						
2022	38.7	41.6	101	43.5	33,533	48.8
2023	38.7	39.5	98	39.8	38,351	51.5
Not Available						
2022	0.3	0.4	0	0.0	0	0.0
2023	0.3	0.5	0	0.0	0	0.0
Totals						
2022	100.0	100.0	232	100.0	68,667	100.0
2023	100.0	100.0	246	100.0	74,539	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

The assessment area consists of three counties, Cook, DuPage, and Kane. While the counties are contiguous, the volume of low- and moderate-income tracts within each county is not consistent. Cook County contains the highest number (225 low or 99.1 percent of the low-income census tracts in the assessment area and 351 moderate or 87.1 percent of the moderate-income census tracts in the assessment area) and concentration of LMI tracts, while DuPage County contains one low- (0.4 percent) and only fourteen (3.5 percent) moderate-income tracts. Kane County has one low- (0.4 percent) and thirty-eight moderate-income tracts (9.4 percent). CIBM's lending volume within varies by county with the most loans in Cook County with 251, followed by DuPage with 139 and Kane County with eighty-eight. As previously noted, CIBM maintains only one branch and one mortgage LPO in the assessment area, both of which are located in DuPage County.

As approximately 29.1 percent of CIBM's home mortgage lending in the assessment area occurs within DuPage County with nominal LMI tracts, it is helpful to review CIBM's performance on a

county-by-county basis. This analysis reveals performance more consistent with aggregate results. The following tables provide details on CIBM’s performance in each county.

Geographic Distribution of Home Mortgage Loans						
Cook County, Illinois						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	7.3	7.2	11	10.7	6,646	21.5
2023	7.3	8.3	2	1.4	281	0.6
Moderate						
2022	22.8	21.1	24	23.3	4,609	14.9
2023	22.8	22.2	30	20.3	5,981	13.4
Middle						
2022	34.7	32.8	39	37.9	9,309	30.1
2023	34.7	32.9	61	41.2	16,070	36.0
Upper						
2022	34.9	38.6	29	28.2	10,368	33.5
2023	34.9	36.2	55	37.2	22,336	50.0
Not Available						
2022	0.3	0.4	0	0.0	0	0.0
2023	0.3	0.3	0	0.0	0	0.0
Totals						
2022	100.0	100.0	103	100.0	30,931	100.0
2023	100.0	100.0	148	100.0	44,667	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Geographic Distribution of Home Mortgage Loans							
DuPage County, Illinois							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	0.2	0.2	0	0.0	0	0.0
	2023	0.2	0.2	0	0.0	0	0.0
Moderate							
	2022	4.5	4.2	3	3.9	561	2.4
	2023	4.5	4.3	3	4.8	412	2.1
Middle							
	2022	38.7	38.4	23	30.3	5,254	22.8
	2023	38.7	39.7	30	47.6	8,078	41.5
Upper							
	2022	56.6	57.3	50	65.8	17,207	74.7
	2023	56.6	55.8	30	47.6	10,990	56.4
Not Available							
	2022	0.0	0.0	0	0.0	0	0.0
	2023	0.0	0.0	0	0.0	0	0.0
Totals							
	2022	100.0	100.0	76	100.0	23,022	100.0
	2023	100.0	100.0	63	100.0	19,479	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Geographic Distribution of Home Mortgage Loans							
Kane County, Illinois							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	0.4	0.5	0	0.0	0	0.0
	2023	0.4	0.4	0	0.0	0	0.0
Moderate							
	2022	28.1	23.3	8	15.1	1,815	12.3
	2023	28.1	22.9	5	14.3	1,018	9.8
Middle							
	2022	32.5	35.6	23	43.4	6,941	47.2
	2023	32.5	35.2	17	48.6	4,349	41.8
Upper							
	2022	38.0	39.6	22	41.5	5,959	40.5
	2023	38.0	39.3	13	37.1	5,026	48.4
Not Available							
	2022	1.1	1.1	0	0.0	0	0.0
	2023	1.1	2.2	0	0.0	0	0.0
Totals							
	2022	100.0	100.0	53	100.0	14,715	100.0
	2023	100.0	100.0	35	100.0	10,393	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data.</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							

At the county level, CIBM’s performance in low-income census in 2022 exceeds aggregate in Cook County and is consistent with aggregate in Kane and DuPage counties. In 2023, performance in Cook County declined and remained consistent with aggregate in Kane and DuPage Counties. Although no loans were made in low-income census tracts in Kane and DuPage counties, there is only one low-income census tract in each assessment area with minimal aggregate performance. Considering performance in all three years, overall performance in low-income tracts is reasonable.

Performance in moderate tracts is similar to that in low-income tracts. In 2022, performance in Cook County exceeded aggregate, was comparable to aggregate in DuPage County, and was below aggregate in Kane County. In 2023, performance was comparable to aggregate in Cook County, exceeded aggregate in DuPage County, and was below aggregate in Kane County. Considering performance in all three years, overall performance in moderate-income tracts is reasonable.

In addition, as noted in the overall conclusions section, CIBM has developed and implemented the previously described ALP, which targets low- and moderate-income borrowers and geographies. The program allows for more lenient underwriting than conventional mortgage financing and more access to grant money to offset loan costs and down payments. LMI borrowers often struggle in obtaining

enough funds for down payments and this program addresses a critical credit need in the assessment area. From 2022 to 2023, the bank originated three loans in low- or moderate-income census tracts under the ALP (one in a low-income census tract and two in moderate-income census tracts).

Small Business Lending

The geographic distribution of loans reflects reasonable dispersion throughout the Chicago assessment area. The bank’s poor performance in low-income tracts and reasonable performance in moderate-income census tracts supports this conclusion. The following table provides details.

Geographic Distribution of Small Business Loans					
Chicago Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	6.7	0	0.0	0	0.0
2024	6.2	0	0.0	0	0.0
Moderate					
2023	18.1	2	5.1	595	7.1
2024	17.9	3	6.2	1,650	15.1
Middle					
2023	30.1	7	17.9	1,275	15.2
2024	30.5	6	12.5	1,738	15.9
Upper					
2023	44.5	30	76.9	6,520	77.7
2024	44.8	39	81.2	7,533	69.0
Not Available					
2023	0.6	0	0.0	0	0.0
2024	0.6	0	0.0	0	0.0
Totals					
2023	100.0	39	100.0	8,390	100.0
2024	100.0	48	100.0	10,921	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

The bank did not make any loans in low-income census tracts, and for moderate-income loans, the bank’s performance by number was below the demographic data. Although aggregate data cannot be used as a direct comparison, it helps to provide an indication of loan demand in the assessment area. For the most recent year of available aggregate data (2023), 5.0 percent of reported loans were made in low-income census tracts and 17.5 percent were made in moderate-income census tracts.

Additionally, CIBM made a large number of loans to one borrower located in an upper-income census tract in Cook County. Included within the bank's lending are 23 loans to this single company in 2023, and 28 loans to the same company in 2024. This significant lending relationship disproportionately reflects higher levels of borrowers in upper-income tracts. Isolating this single relationship in each year results in the bank having made 11.8 percent of its loans in moderate-income census tracts in 2023 and 14.3 percent in moderate-income census tracts in 2024. These figures are considered more in line with demographics and aggregate data.

However, as noted in the previous section, Cook County contains the highest number (225 low or 99.1 percent of the low-income census tracts in the assessment area and 351 moderate or 87.1 percent of the moderate-income census tracts in the assessment area) and concentration of LMI tracts, while DuPage County contains 1 low-income (0.4 percent) and 14 (3.5 percent) moderate-income tracts. Kane County has one low- (0.4 percent) and thirty-eight moderate-income tracts (9.4 percent).

When reviewing performance on a county-by-county basis in low-income census tracts, although the bank made no loans in these census tracts, for Kane County only 0.3 percent of businesses were located in the one low-income census tract and for DuPage County it was 0.4 percent. As a result, although performance in Cook County is poor in low-income tracts (6.0 percent of small businesses are located in low-income census tracts), it is reasonable for Kane and DuPage County.

The bank made no loans in moderate-income census tracts in Kane County. For DuPage County, the bank made none in moderate-income in 2023 and made one for 12.5 percent in 2024, exceeding demographic of 4.6 percent. For Cook County, considering the above-noted loans to the single business as one loan, the bank made 40.0 percent of its loans in moderate-income census tracts in 2023 and 25.0 percent in 2024.

Additionally, in this assessment area, the bank has one office that makes small business loans, as its LPO focuses on home mortgage loans. This office is located in the middle of DuPage County and is a substantial distance away from most of the low- and moderate-income census tracts in Kane and DuPage counties. It is about fourteen air miles from most of the moderate-income census tracts in Kane County. In Cook County the closest moderate-income census tracts are about ten air miles away, but the majority of the census tracts are substantially further than this located in central, south central, and southern Cook County. The same is true of the low-income census tracts in Cook County and the low-income census tract in Kane County.

As a result, when considering the large number of loans made to a single business in an upper-income census tract, the bank's performance county-by-county, and its office location in relation to most of the low- and moderate-income census tracts in Kane and Cook counties, although low-income performance trails comparable data, overall performance is reasonable.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area reasonable penetration among individuals of different income levels (including low- and moderate-income) and

businesses of different sizes. This conclusion is supported by reasonable performance within home mortgage and small business lending.

Home Mortgage

The distribution of loans to borrowers reflects reasonable penetration among retail customers of different income levels. This conclusion is supported by reasonable performance to both low- and moderate-income borrowers. The following table provides details:

Distribution of Home Mortgage Loans by Borrower Income Level						
Chicago Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	24.6	9.8	23	9.9	3,377	4.9
2023	24.6	8.5	22	8.9	3,202	4.3
Moderate						
2022	16.6	20.8	52	22.4	11,250	16.4
2023	16.6	22.1	58	23.6	11,880	15.9
Middle						
2022	18.6	19.9	71	30.6	18,160	26.4
2023	18.6	21.1	69	28.0	18,103	24.3
Upper						
2022	40.2	32.3	84	36.2	31,605	46.0
2023	40.2	30.9	93	37.8	35,516	47.6
Not Available						
2022	0.0	17.2	2	0.9	4,275	6.2
2023	0.0	17.4	4	1.6	5,838	7.8
Totals						
2022	100.0	100.0	232	100.0	68,667	100.0
2023	100.0	100.0	246	100.0	74,539	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

In 2022 and 2023, CIBM’s performance is in line with aggregate performance with low-income borrowers. While CIBM’s performance substantially trails the demographic, the bank’s performance is affected by the percentage of low-income families residing in the assessment area, coupled with the high median home value in this area. The population percentages for low-income families each year include those families with incomes below the poverty level. Families with incomes below the poverty levels are likely to face challenges in acquiring home mortgage loans in the amounts required to purchase a home within the area. Overall, performance to low-income borrowers is reasonable.

CIBM’s performance with moderate-income borrowers exceeded aggregate performance in both 2022 and 2023, reflecting reasonable performance in lending to moderate-income borrowers.

Small Business

The distribution of loans to borrowers of different sizes reflects reasonable penetration among businesses of different sizes. Examiners focused on the bank’s lending to businesses with revenues of \$1 million or less. The following table details the banks performance.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Chicago Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	90.6	12	30.8	1,852	22.1
2024	90.5	9	18.8	1,131	10.4
>\$1,000,000					
2023	3.6	27	69.2	6,538	77.9
2024	3.5	39	81.3	9,790	89.6
Revenue Not Available					
2023	5.9	0	0.0	0	0.0
2024	6.0	0	0.0	0	0.0
Totals					
2023	100.0	39	100.0	8,390	100.0
2024	100.0	48	100.0	10,921	100.0

Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

The bank’s lending to businesses with \$1 million or less in gross annual revenue is below demographics in 2023 and 2024. However, similar to the banks performance within the geographic distribution criterion, the bank’s significant lending relationship with one borrower over \$1 million in revenue distorts the number of businesses served by the bank. Accounting for this relationship, the bank otherwise originated 70.6 percent by number made to businesses with gross annual revenue of \$1 million or less in 2023 and 42.9 percent in 2024.

As a measure of demand, examiners considered, but did not directly compare, the aggregate business lending data to the bank’s performance. In 2023, the most recent year aggregate is available, the aggregate lending performance in the bank’s assessment area to businesses with GARs of \$1 million or less was 56.4 percent which is well below the bank’s adjusted performance in 2023. Additionally, not all small businesses are seeking traditional financing in each year. For many small businesses, credit needs are often met through credit card and home equity financing. As previously mentioned, demographic data indicates there is a large volume of small businesses in the assessment area that could potentially seek alternative forms of financing.

Given these performance context factors, the bank’s lending performance demonstrates reasonable performance.

COMMUNITY DEVELOPMENT TEST

CIBM demonstrated adequate responsiveness to the community development needs of the Chicago assessment area through the provision of qualified community development loans, investments, and services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

CIBM originated six community development loans totaling \$6.5 million in the assessment area. This level accounts for 24.0 percent by number and 12.3 percent by dollar of total community development lending. Community development lending increased from the previous exam when CIBM originated six loans totaling \$5.3 million. The current level of community development loans exceeds the bank’s branch and deposit presence in the area and is below the level of small business and home mortgage lending in the area. The table below details the bank’s community development lending in this assessment area by year and purpose.

Community Development Lending - Chicago Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (Partial)	2	4,275	0	0	1	364	0	0	3	4,639
2023	1	750	0	0	1	807	0	0	2	1,557
2024	0	0	0	0	1	333	0	0	1	333
Total	3	5,025	0	0	3	1,504	0	0	6	6,529

Source: Bank Records

CIBM’s CD lending has been responsive to area credit and community development needs. As noted previously, loans to support business expansion and affordable housing are primary credit needs in the area. The majority of CD lending affordable housing efforts, and the three economic development loans consist of SBA 504 loans, which specifically assist small businesses with adding or retaining jobs, including jobs for LMI individuals. Additional examples include:

- A \$3.7 million loan for which the proceeds are for two apartment buildings with a total of fifty-two units located in two low-income census tracts. The majority of units lease at rates affordable to LMI families.
- A \$750,000 loan for a six-unit multifamily building. The property is in a low-income tract and the units will lease at rates affordable to LMI families.

Qualified Investments

CIBM originated thirteen qualified investments totaling approximately \$3.0 million of which one was prior period investments totaling approximately \$1.1 million and ten were donations totaling \$18,000 in the assessment area. This level accounts for 19.1 percent by number and 23.1 percent by dollar of total qualified investments in all assessment areas. Qualified investments declined from the previous exam when CIBM had twenty-three qualifying investments totaling \$5.2 million. The current level of qualified investments in this assessment area exceeds the bank’s branch and deposit presence in the assessment area. The table below provides details on the banks qualified investments and donations in this assessment area by year and purpose.

Qualified Investments – Chicago Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	1,060	-	-	-	-	-	-	1	1,060
2022	-	-	-	-	-	-	-	-	-	-
2023	1	986	-	-	-	-	-	-	1	986
2024	1	938	-	-	-	-	-	-	1	938
Subtotal	3	2,984	-	-	-	-	-	-	3	2,984
Donations & Grants	2	2	8	16	-	-	-	-	10	18
Total	5	2,986	8	16	-	-	-	-	13	3,002

Source: Bank Data

CIBM demonstrated adequate responsiveness to areas credit and community development needs. As previously noted, affordable housing is a primary credit need in the assessment area and all of the bank’s qualified investments consist of mortgage-backed securities made up of mortgage loans to LMI borrowers in the assessment area.

Community Development Services

Bank representatives provided nine instances of financial expertise or technical assistance to community development-related organizations in the Chicago assessment area during the evaluation period, accounting for 9.9 percent of the bank’s total community development services. At the prior evaluation, bank representatives provided thirteen community development services in this assessment area. This level of community development services is consistent with the bank’s presence in the area.

Bank employees volunteer as board members of some organizations throughout the area, including a non-profit that provides support to LMI families struggling with abuse and an organization that supports the best interests of abused, neglected, dependent and vulnerable children in the DuPage County court system. Another employee is on a board of a housing counseling organization that provides pre-purchase, default and financial literacy counseling and coaching. The following table provides details on CIBM’s community service activities by year and purpose.

Community Development Services – Chicago Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize Or Stabilize	Totals
2022 (partial)	1	0	0	0	1
2023	1	3	0	0	4
2024	2	2	0	0	4
Totals	4	5	0	0	9
<i>Source: Bank records</i>					

OTHER ILLINOIS ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE REVIEW ASSESSMENT AREAS

The following table summarizes the conclusions for the three Illinois assessment areas reviewed using limited-scope examination procedures. Examiners drew conclusions regarding the institution’s CRA performance by reviewing available facts and data, including performance figures, aggregate lending data comparisons, and demographic information. Performance in each limited-scope assessment area was generally consistent with bank performance in the full-scope Chicago, IL assessment area.

Assessment Area	Lending Test	Community Development Test
Champaign, IL MSA	Consistent	Consistent
Peoria, IL MSA	Consistent	Consistent
Bloomington, IL MSA	Consistent	Consistent

Facts and data that support conclusions for the limited-scope assessment areas are included in this section, beginning with a summary of CIBM’s operations and activities in each area. Additional demographic data and information on the geographic and borrower distributions on home mortgage and small business loans for each of these assessment areas is located in the appendix.

Champaign, IL MSA Assessment Area

The Champaign, IL MSA assessment area includes all of Champaign and Piatt counties in Illinois. CIBM operates three branches in this assessment area. This assessment area contains 33.3 percent of all branches, 1.4 percent of all home mortgage originations, 6.8 percent of small business loan originations, and 48.2 percent of deposits. The table below summarizes the bank’s lending and community development activities in this assessment area during the evaluation period.

Activity	#	\$
Home Mortgage Loans (2022 - 2023)	11	\$7.1 million
Small Business Loans (2023 - 2024)	13	\$1.5 million
Community Development Loans	2	\$4.0 million
Qualified Investments	14	\$1.1 million
Community Development Services	23	-
<i>Source: Bank Data</i>		

Peoria, IL Assessment Area

The Peoria, IL MSA assessment area includes all of Peoria, Tazewell, and Woodford counties in Illinois. CIBM operates one branch in this assessment area. This assessment area contains 11.1 percent of all branches, 8.5 percent of home mortgage originations, 5.2 percent of small business loan originations, and 9.2 percent of deposits. It should be noted the bank’s mortgage lending significantly increased in 2023 due to the opening of an LPO in the area. The table below summarizes the bank’s lending and community development activities in this assessment area during the evaluation period.

Activity	#	\$
Home Mortgage Loans (2022 - 2023)	67	\$8.7 million
Small Business Loans (2023 - 2024)	10	\$1.6 million
Community Development Loans	5	\$11.2 million
Qualified Investments	2	\$0.8 million
Community Development Services	6	-
<i>Source: Bank Data</i>		

Bloomington, IL Assessment Area

The Bloomington, IL MSA assessment area includes all of McLean County in Illinois. CIBM operates one branch in this assessment area. This assessment area contains 11.1 percent of all branches, 2.9 percent of all home mortgages, 0.5 percent of small business loan originations, and 12.0 percent of deposits. The table below summarizes the bank’s lending and community development activities in this assessment area during the evaluation period.

Activity	#	\$
Home Mortgage Loans (2022 - 2023)	23	\$7.4 million
Small Business Loans (2023 - 2024)	1	\$0.2 million
Community Development Loans	1	\$4.2 million
Qualified Investments	9	\$1.7 million
Community Development Services	10	-
<i>Source: Bank Data</i>		

STATE OF WISCONSIN

CRA RATING FOR STATE OF WISCONSIN: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WISCONSIN

The Wisconsin rated area, or Wisconsin assessment area, is comprised of the entirety of Milwaukee and Waukesha counties, which make up two of the four counties in the Milwaukee-Waukesha, WI MSA located in southeastern Wisconsin. CIBM operates two branches in this assessment area, one located in Brookfield, WI and the other in Elm Grove, WI. Both branches are located in upper-income census tracts. The Wisconsin assessment area accounts for 18.7 percent of home mortgages and 34.9 percent of small business loans originated in the review period as well as 22.2 percent of branches, and 22.7 percent of deposits.

Economic and Demographic Data

This assessment area includes all 400 census tracts in Milwaukee and Waukesha counties. These census tracts reflect the following income designations according to the 2020 U.S. Census:

- 81 low-income census tracts
- 79 moderate-income census tracts
- 121 middle-income census tracts
- 110 upper-income census tracts
- 9 census tracts with no income category

There are 16 additional census tracts at this evaluation compared to the last evaluation that used 2015 American Community Survey data as the result of creation of new census tracts in the counties due to the 2020 U.S. Census. Compared to the last evaluation, there are 18 fewer low-income census tracts, 11 additional moderate-income census tracts, and 10 additional middle-income census tracts. The vast majority of the low- and moderate-income census tracts are located in the city of Milwaukee in Milwaukee County.

Other notable demographic changes compared to the last evaluation include a 0.2 percent decrease in the total population and 2.7 percentage point decline in the poverty rate. Additionally, median housing values increased by 11.9 percent while median gross rent by 12.9 percent. The following table includes additional demographic information.

Demographic Information of the Assessment Area						
Wisconsin Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	400	20.3	19.8	30.3	27.5	2.3
Population by Geography	1,346,467	15.0	18.2	32.0	33.6	1.2
Housing Units by Geography	586,013	14.8	18.7	33.6	31.8	1.1
Owner-Occupied Units by Geography	310,203	6.7	14.7	35.8	42.6	0.2
Occupied Rental Units by Geography	233,280	22.6	24.0	32.4	19.1	1.9
Vacant Units by Geography	42,530	30.9	19.3	24.6	22.1	3.0
Businesses by Geography	143,544	12.6	17.7	30.2	38.7	0.8
Farms by Geography	2,462	10.4	13.4	29.9	46.1	0.2
Family Distribution by Income Level	322,061	24.3	17.0	19.9	38.7	0.0
Household Distribution by Income Level	543,483	26.5	16.0	17.3	40.2	0.0
Median Family Income MSA - 33340 Milwaukee-Waukesha, WI MSA		\$84,829	Median Housing Value			\$200,665
			Median Gross Rent			\$948
			Families Below Poverty Level			9.9%
Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

There are 586,013 housing units in the assessment area, of which 52.9 percent are owner-occupied, 39.8 percent are occupied rental units, and 7.3 percent are vacant. In addition, 23.7 percent of housing units are multifamily (five or more units).

The FFIEC-updated median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The table below presents the 2022-2023 median family income levels for the Milwaukee-Waukesha, WI MSA, as updated by the FFIEC.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Milwaukee-Waukesha, WI MSA Median Family Income (33340)				
2022 (\$96,100)	<\$48,050	\$48,050 to <\$76,880	\$76,880 to <\$115,320	≥\$115,320
2023 (\$100,600)	<\$50,300	\$50,300 to <\$80,480	\$80,480 to <\$120,720	≥\$120,720
Source: FFIEC				

According to 2024 D&B data, there are 143,544 non-farm businesses in the assessment area with the following gross annual revenues:

- 88.3 percent of businesses have revenues of \$1 million or less
- 4.1 percent of businesses have more than \$1 million in revenues
- 7.7 percent of businesses did not report their revenues

Service industries are the largest portion of businesses at 34.9 percent; followed by non-classifiable establishments (26.4 percent); finance, insurance and real estate (10.4 percent); retail trade (9.8 percent); transportation and communication (5.5 percent); and construction (5.1 percent). In addition, 57.5 percent of businesses have four or fewer employees, and 92.3 percent operate from a single location.

Prior to the last evaluation, the COVID-19 pandemic considerably affected local and global environments. The stay-at-home orders and temporary closures of non-essential businesses that became effective in March 2020 caused significant hardships for both individuals and businesses as reflected in high average unemployment rates for 2020 with significant decline in 2021. Unemployment rates further declined in 2022 with little change in 2023 and 2024. The following table outlines the average annual (not seasonally adjusted) unemployment rates in counties located in the bank’s assessment area during 2022 and 2023.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Milwaukee County, Wisconsin	3.7	3.8	3.7
Waukesha County, Wisconsin	2.5	2.6	2.6
State of Wisconsin	2.9	3.0	3.0
National Average	3.7	3.6	4.0

Source: Bureau of Labor Statistics.

Competition

The Wisconsin assessment area is a highly competitive market. According to 2023 PCi Corporation deposit market share information derived from FDIC and NCUA deposit data, there were 75 financial institutions operating 358 offices within the assessment area. The top five FDIC-insured banks collectively capture 73.5 percent of the deposit market share while CIBM ranked 33rd with a 0.2 percent deposit market share.

The assessment area contains numerous bank and non-bank lenders providing home mortgage and small business loans in the assessment area. According to 2023 HMDA aggregate data, 517 lenders originated or purchased 44,110 home mortgage loans. CIBM ranked 67th with a 0.2 percent market share. CIBM is not required to collect or report small business lending data and the analysis of small business loans under the Lending Test does not include direct comparisons to aggregate data. The aggregate data, however, reflects the level of competition for small business loans. According to 2023 aggregate CRA Small Business loan data, 119 lenders originated 26,299 small business loans.

Community Contacts

Examiners used information from two recent community contacts in the assessment area to identify and understand the credit and community development needs of the assessment area. The contacts identified the need for affordable housing in the area, although hindered by current high interest rates.

Credit and Community Development Needs and Opportunities

Considering the information from the community contact and demographic data, examiners determined that credit needs in the assessment area include flexible home loans with down payment assistance to support low- and moderate-income individuals, affordable housing, and small business lending. The high level of low- and moderate-income families (41.3 percent) along with the percentage of businesses with revenues of \$1 million or less (88.3 percent) supports these needs.

The Wisconsin assessment area provides various opportunities for involvement in community developments through enterprise zones and nonprofit organizations that promote economic developments. The State of Wisconsin and community organizations sponsor various programs that support small business growth, economic development, and revitalization and stabilization programs.

SCOPE OF EVALUATION – WISCONSIN

The rating for the State of Wisconsin is based upon the full-scope evaluation of the bank's performance in the Wisconsin assessment area, which is the sole assessment area in Wisconsin. The bank's rating for the State of Wisconsin carries less weight in the overall rating based on the level of bank activity in this area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WISCONSIN

LENDING TEST

The bank's lending performance reflects reasonable responsiveness to the credit needs in the Wisconsin assessment area. Reasonable geographic distribution and borrower profile supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Milwaukee assessment area. This conclusion is supported by reasonable home mortgage and reasonable small business loan performance.

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion. The bank's reasonable performance in both low- and moderate-income tracts supports this conclusion.

In low-income census tracts, the bank’s performance by number exceeded aggregate performance by 6.1 percentage points in 2022. Although the bank’s 2023 performance declined, it slightly exceeded aggregate performance. Taken together, the bank’s performance in low-income census tracts is reasonable.

In moderate-income census tracts, the bank’s performance exceeded aggregate performance by 4.9 percentage points in 2022. In 2023, the bank’s performance declined but continued to exceed aggregate performance by 2.4 percentage points. Taken together, the bank’s performance in moderate-income census tracts is reasonable. The following table provides details.

Geographic Distribution of Home Mortgage Loans							
Wisconsin Assessment Area							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	6.7	6.8	9	12.9	6,567	22.7
	2023	6.7	7.9	7	9.0	1,075	5.6
Moderate							
	2022	14.7	15.1	14	20.0	10,244	35.4
	2023	14.7	15.5	14	17.9	2,182	11.3
Middle							
	2022	35.8	34.9	24	34.3	5,448	18.8
	2023	35.8	35.1	33	42.3	7,663	39.7
Upper							
	2022	42.6	43.0	23	32.9	6,716	23.2
	2023	42.6	41.2	24	30.8	8,360	43.4
Not Available							
	2022	0.2	0.2	0	0.0	0	0.0
	2023	0.2	0.3	0	0.0	0	0.0
Totals							
	2022	100.0	100.0	70	100.0	28,975	100.0
	2023	100.0	100.0	78	100.0	19,280	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Small Business

The geographic distribution of small business loans reflects reasonable dispersion. The bank’s reasonable performance in both low- and moderate-income tracts supports this conclusion.

The bank’s performance in low-income tracts exceeded demographic data in 2023 and was below demographics in 2024. While a direct comparison cannot be made, examiners considered the

aggregate performance as an indicator of demand, which was 8.5 percent in 2023, similar to the bank’s performance. Taken together, the bank’s performance in low-income census tracts was reasonable.

Within moderate-income census tracts, the bank’s performance exceeded demographics in 2023 but was below it in 2024. As an indicator of demand, examiners considered the most recent aggregate performance from 2023, which was 16.8 percent. The bank’s performance exceeded aggregate performance in 2023. Taken together, the bank’s performance in moderate-income census tracts was reasonable.

Geographic Distribution of Small Business Loans					
Wisconsin Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	12.7	4	13.3	1,484	21.1
2024	12.6	3	8.1	1,025	10.9
Moderate					
2023	17.7	6	20.0	1,099	15.6
2024	17.7	5	13.5	1,750	18.7
Middle					
2023	30.4	12	40.0	3,063	43.6
2024	30.2	21	56.8	5,522	59.0
Upper					
2023	38.4	8	26.7	1,387	19.7
2024	38.7	8	21.6	1,070	11.4
Not Available					
2023	0.8	0	0.0	0	0.0
2024	0.8	0	0.0	0	0.0
Totals					
2023	100.0	30	100.0	7,033	100.0
2024	100.0	37	100.0	9,367	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment areas, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The conclusion is supported by reasonable home mortgage performance and small business performance.

Home Mortgage Lending

The distribution of loans to borrowers reflects reasonable penetration among retail customers of different income levels. This conclusion is supported by reasonable performance with both low- and moderate-income borrowers.

As noted in the following table, CIBM's performance to low-income borrowers was below aggregate in 2022, improving significantly in 2023. Taken together, this performance reflects reasonable performance in lending to low-income borrowers.

Distribution of Home Mortgage Loans by Borrower Income Level						
Wisconsin Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	24.3	10.1	5	7.1	661	2.3
2023	24.3	8.2	12	15.4	1,658	8.6
Moderate						
2022	17.0	20.8	26	37.1	4,856	16.8
2023	17.0	20.4	18	23.1	3,091	16.0
Middle						
2022	19.9	22.2	16	22.9	3,968	13.7
2023	19.9	21.5	21	26.9	4,749	24.6
Upper						
2022	38.7	35.0	19	27.1	5,529	19.1
2023	38.7	36.5	26	33.3	9,595	49.8
Not Available						
2022	0.0	11.9	4	5.7	13,962	48.2
2023	0.0	13.4	1	1.3	188	1.0
Totals						
2022	100.0	100.0	70	100.0	28,975	100.0
2023	100.0	100.0	78	100.0	19,280	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Within lending to moderate-income borrowers, in 2022, the bank's performance was significantly above aggregate performance. In 2023, the bank's performance declined; however, it remained above aggregate performance. Overall, the bank's performance in lending to moderate-income borrowers was reasonable.

Small Business Lending

The distribution of loans to borrowers reflects, given the demographics of the assessment area, reasonable penetration among businesses of different sizes. As shown in the following table, the bank’s performance was below demographics in both 2023 and 2024, with some improvement in performance in 2024. As a measure of demand, examiners considered, but did not directly compare, the aggregate business lending data to the bank’s performance. In 2023, the most recent year aggregate is available, the aggregate lending performance in the bank’s assessment area to businesses with GARs of \$1 million or less was 55.3 percent.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Wisconsin Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	88.0	12	40.0	1,292	18.4
2024	88.3	17	45.9	1,508	16.1
>\$1,000,000					
2023	4.2	18	60.0	5,741	81.6
2024	4.0	20	54.1	7,859	83.9
Revenue Not Available					
2023	7.8	0	0.0	0	0.0
2024	7.7	0	0.0	0	0.0
Totals					
2023	100.0	30	100.0	7,033	100.0
2024	100.0	37	100.0	9,367	100.0

Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

Examiners also compared CIBM’s performance with other banks serving the Milwaukee-Waukesha, WI MSA. Favorably rated banks performance ranged from 44.3 percent to 56.5 percent and support the reasonable performance rating for CIBM.

Additionally, not all small businesses are seeking traditional financing. For many small businesses, credit needs are often met through credit card and home equity financing. As previously mentioned, demographic data indicates there is a large volume of small businesses in the assessment area that could potentially seek alternative forms of financing. Additionally, examiners noted that the bank offers flexible lending programs targeting small businesses, such as the banks internally developed Fast Track Business Loan, which are generally made to businesses with less than \$1 million in gross annual revenue. Since the last evaluation, the bank has made thirteen of these Fast Track Business loans in this assessment area.

As a result, based on the noted performance context factors, the bank’s performance is reasonable.

COMMUNITY DEVELOPMENT TEST

CIBM demonstrated excellent responsiveness to the community development needs of the Wisconsin assessment area through qualified community development loans, investments, and services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

CIBM originated 11 community development loans totaling \$26.9 million in the assessment area. This level accounts for 44.0 percent by number and 50.9 percent by dollar of total community development lending. Community development lending increased substantially by dollar amount since last evaluation, when CIBM originated 12 loans totaling \$5.7 million. The current level of community development lending exceeds CIBM’s presence in the assessment area. The following table provides details:

Community Development Lending – Wisconsin Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2022 (Partial)	2	12,040	1	2,100	2	1,129	-	-	5	15,269
2023	-	-	-	-	2	4,760	-	-	2	4,760
2024	-	-	-	-	4	6,898	-	-	4	6,898
Total	2	12,040	1	2,100	8	12,787	-	-	11	26,927

Source: Bank Records

CIBM’s community development lending has been responsive to area credit and community development needs. The majority of community development lending supports economic development efforts. As noted previously, loans to support business expansion and affordable housing are primary credit needs in the area. Six of the economic development loans consist of SBA 504 loans, which specifically assist small businesses with adding or retaining jobs, including jobs for LMI individuals. An additional economic development loan consists of an SBA 7a loan for the construction of an assisted living facility which will result in the creation of fifteen jobs, a majority of which are for LMI individuals.

Qualified Investments

CIBM originated 18 qualified investments totaling approximately \$4.2 million of which there were ten donations totaling \$17,000 in the assessment area. This level of qualified investments in this assessment area accounts for 26.5 percent by number and 32.0 percent by dollar of total qualified investments. Qualified investments increased from the previous exam when CIBM had forty-four qualifying investments totaling \$3.6 million. The current level generally exceeds the bank’s branch, loan, and deposit presence in the area.

All of the bank’s qualified investments consist of mortgage-backed securities made up of mortgage loans to LMI borrowers in the assessment area. As previously noted, affordable housing is a primary credit need in the assessment area. The following table details the qualified investments and donations in this assessment area by year and purpose.

Qualified Investments – Wisconsin Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	-	-
2022	1	962	-	-	-	-	-	-	1	962
2023	6	1,757	-	-	-	-	-	-	6	1,757
2024	1	1,418	-	-	-	-	-	-	1	1,418
Subtotal	8	4,137	-	-	-	-	-	-	8	4,137
Donations & Grants	-	-	7	14	3	3	-	-	10	17
Total	8	4,137	7	14	3	3	-	-	18	4,154

Source: Bank Data

Community Development Services

Bank representatives provided 26 instances of financial expertise or technical assistance to community development-related organizations in the Wisconsin assessment area during the evaluation period. This level of activity accounts for 28.6 percent of all CD services, which generally exceeds CIBM’s presence in the assessment area, and is a decrease from the prior evaluation, when bank representatives provided 47 community development services. The following table details the CIBM’s community development services in this assessment area by year and purpose.

Community Development Services – Wisconsin Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022 (partial)	0	2	3	0	5
2023	0	4	2	0	6
2024	0	8	7	0	15
Total	0	14	12	0	26

Source: Bank Records

Notable examples of CIBM’s community development services include:

- A bank employee is a Loan Committee member of the Wisconsin Women’s Business Initiative Corporation (WWBIC). WWBIC is a leading innovative statewide economic development corporation that focuses on women, people of color, and low-income individuals, providing direct lending and access to fair and responsible capital, quality business education, one-on-one technical business assistance, and education to increase financial capability. This activity supports economic development efforts in the area.
- Bank employees provided tax preparation assistance through La Casa de Esperanza’s Voluntary Income Tax Assistance (VITA) as well as financial education. The VITA

program provides free federal and state income tax return preparation and filing for low- and moderate-income individuals. Special emphasis is placed on identifying families who are eligible for the Earned Income Tax Credit and helping families take advantage of this credit.

- Through partnership with the Federal Home Loan Bank of Chicago, bank employees submitted submit two grant applications of \$15,000 which was approved for local small businesses through the Community First Accelerate Grant for Small Businesses program, supporting economic development efforts in the area.

STATE OF INDIANA

CRA RATING FOR INDIANA: SATISFACTORY

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INDIANA

The Indiana rated area, or Indiana assessment area, consists of eight of the eleven counties in the Indianapolis-Carmel-Anderson MSA, including Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby counties. This assessment area is located in central Indiana. CIBM operates one branch in the assessment area. The Indiana assessment area accounted for 8.1 percent of CIBM's home mortgages, 7.3 of small business loan originations in the review period as well as 11.1 percent of branches, and 3.7 percent of deposits.

Economic and Demographic Data

This assessment area includes all 422 census tracts in Boone, Hamilton, Hancock, Hendricks, Johnson, Marion, Morgan, and Shelby counties. These census tracts reflect the following income designations according to the 2020 U.S. Census:

- 52 low-income census tracts
- 99 moderate-income census tracts
- 149 middle-income census tracts
- 114 upper-income census tracts
- 8 census tracts with no income category

As the result of new census tracts created in the counties due to the 2020 U.S. Census, there are 73 additional census tracts at this evaluation compared to the last evaluation that used 2015 American Community Survey data. Compared to the last evaluation, there are nine fewer low-income census tracts, seven additional moderate-income census tracts, 45 additional middle-income census tracts, 23 additional upper-income census tracts, and seven additional census tracts without an income category. The vast majority of the low- and moderate-income census tracts are located in downtown Indianapolis in Marion County. The bank has one branch office in this assessment area located in northern Marion County.

Additional notable demographic changes compared to the last evaluation include a 9.1 percent increase in the total population and 3.0 percentage point decline in the poverty rate. Additionally, median housing values increased by 24.9 percent and median gross rent by 15.9 percent. More demographic information is shown in the following table.

Demographic Information of the Assessment Area						
Indiana Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	422	11.8	22.7	35.8	27.7	1.9
Population by Geography	1,928,710	7.9	19.3	37.4	34.0	1.3
Housing Units by Geography	784,948	9.3	20.6	37.5	31.2	1.4
Owner-Occupied Units by Geography	467,968	4.4	14.2	40.7	39.7	0.9
Occupied Rental Units by Geography	250,783	15.3	30.4	33.2	19.0	2.1
Vacant Units by Geography	66,197	20.8	29.3	30.4	17.3	2.1
Businesses by Geography	300,287	8.2	18.3	34.4	36.0	3.2
Farms by Geography	7,630	5.2	14.1	45.2	34.3	1.3
Family Distribution by Income Level	456,654	19.7	17.5	20.5	42.3	0.0
Household Distribution by Income Level	718,751	22.7	16.3	18.4	42.7	0.0
Median Family Income MSA - 26900 Indianapolis-Carmel-Greenwood, IN MSA		\$80,333	Median Housing Value			\$184,924
			Median Gross Rent			\$969
			Families Below Poverty Level			7.6%
<i>Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Of the 784,948 housing units in the assessment area, 59.6 percent are owner-occupied, 32.0 percent are occupied rental units, and 8.4 percent are vacant. In addition, 17.5 percent of housing units are multifamily (five or more units). The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

The FFIEC-updated median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The table below presents the 2022-2023 median family income levels for the Indianapolis-Carmel-Anderson, IN MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Indianapolis-Carmel-Anderson, IN MSA Median Family Income (26900)				
2022 (\$91,900)	<\$45,950	\$45,950 to <\$73,520	\$73,520 to <\$110,280	≥\$110,280
2023 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
<i>Source: FFIEC</i>				

According to 2024 D&B data, 300,287 non-farm businesses are located in the assessment area. Gross annual revenues for these businesses are as follows:

- 92.1 percent of businesses have revenues of \$1 million or less
- 2.4 percent of businesses have more than \$1 million in revenues
- 5.5 percent of businesses did not report their revenues

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by the level of gross annual revenues. Service industries are the largest portion of businesses at 31.8 percent; followed by non-classifiable establishments (31.0 percent) finance, insurance, and real estate (11.1 percent); retail trade (8.0 percent); construction (5.8 percent); transportation and communication (5.5 percent); and agriculture (2.5 percent). In addition, 57.9 percent of businesses have four or fewer employees, and 94.4 percent operate from a single location.

Prior to the last evaluation, the COVID-19 pandemic considerably affected local and global environments. The stay-at-home orders and temporary closures of non-essential businesses that became effective in March 2020 caused significant hardships for both individuals and businesses as reflected in the high average unemployment rates for 2020 with significant decline in 2021. Unemployment rates further declined in 2022 with little change in 2023 and a slight increase in 2024. The following table outlines the average annual (not seasonally adjusted) unemployment rates in counties located in the bank’s assessment area during 2022, 2023, and 2024.

Unemployment Rates			
Area	2022	2023	2024
	%	%	%
Boone County, Indiana	2.1	2.5	3.2
Hamilton County, Indiana	2.2	2.6	3.2
Hancock County, Indiana	2.6	2.8	3.5
Hendricks County, Indiana	2.5	2.7	3.4
Marion County, Indiana	3.2	3.3	4.1
Johnson County, Indiana	2.4	2.7	3.4
Morgan County, Indiana	2.8	3.0	3.7
Shelby County, Indiana	2.5	2.8	3.5
State of Indiana	3.1	3.3	4.2
National Average	3.7	3.6	4.0

Source: Bureau of Labor Statistics

Competition

The Indiana assessment area is a highly competitive market. According to 2023 PCi Corporation deposit market share information derived from FDIC and NCUA deposit data, there were 69 financial institutions operating 465 offices within the assessment area. The top five FDIC-insured banks collectively captured 56.6 percent of the deposit market share. CIBM ranked 54th with less than 0.1 percent of the deposit market share.

The assessment area contains numerous bank and non-bank lenders providing home mortgage and small business loans in the assessment area. According to 2023 HMDA aggregate data, 696 lenders

originated or purchased 85,306 home mortgage loans. CIBM ranked 347th with less than 0.1 percent of the market share.

CIBM is not required to collect or report small business lending data. As such, the analysis of small business loans under the Lending Test does not include comparisons to aggregate data. The aggregate data, however, reflects the level of competition for small business loans. According to 2023 aggregate CRA Small Business loan data, 153 lenders originated 41,176 small business loans.

Community Contacts

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

This first contact identified small business lending as a need. The contact believes that the underwriting process for startup business lending is taking longer, and some financial institutions have stopped startup lending entirely. This contact also noted that affordable housing remains a problem as inventory is low with high prices. Finally, the contact noted a need for financial literacy and technical assistance for small businesses.

The second contact was focused upon Hamilton County and indicated that affordable housing is a significant need due to strong growth and development in the assessment area. The contact noted that Hamilton is the fastest growing county in Indiana, and the population is expected to rise by 36 percent over the next 30 years. Although the overall assessment area has a high median income, the county has a concentration of lower-paying jobs.

Credit and Community Development Needs and Opportunities

Considering the information from the community contact, demographic data, and discussions with bank management, examiners determined that community development needs in the assessment area include affordable housing, small business lending, and financial literacy for small businesses and consumers. The high level of low- and moderate-income families (37.2 percent) along with the percentage of businesses with revenues of \$1 million or less (92.1 percent) supports these needs.

The assessment area provides numerous opportunities for involvement in community development activities. The Indianapolis metropolitan area contains tax increment financing districts designated by local or state government entities for revitalization, stabilization or economic development. These areas are established to stimulate economic activities that include job preservation, job creation, business development, and residential development. Opportunities for revitalization and stabilization continue to exist in the assessment areas low and moderate-income census tracts, which represent 34.5 percent of the assessment area.

SCOPE OF EVALUATION – INDIANA

The rating for the State of Indiana is based upon the full-scope evaluation of the bank's sole assessment area in Indiana. The bank's rating for the State of Indiana carries lesser weight in the overall rating. CIBM's home mortgage and small business lending in this assessment area account for 8.1 percent of all home mortgage loans and 7.3 of all small business loans.

CONCLUSIONS ON PERFORMANCE CRITERIA IN INDIANA

LENDING TEST

The bank's lending performance reflects reasonable responsiveness to the credit needs in the Indiana assessment area. Reasonable geographic distribution and borrower profile supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Indiana assessment area. This conclusion is supported by reasonable performance within home mortgage and small business lending.

Home Mortgage

The geographic distribution of home mortgage loans reflects reasonable dispersion. As shown in the following table, the bank's performance in 2022 within low- and moderate-income census tracts exceeded aggregate performance, with a performance significantly above aggregate within moderate-income tracts.

In 2023, the bank's overall lending volume declined significantly in this assessment area, and the bank did not make any loans in the low- and moderate-income census tracts. While this does not mitigate performance levels, it should be noted that the bank lost its mortgage lenders in this assessment area in 2023 and was unable to hire replacements.

Based on the bank's lending to low- and moderate-income census tracts in 2022 as compared to aggregate performance, along with the availability of home mortgage products targeting LMI areas and families, the geographic distribution of home mortgage loans is reasonable.

Geographic Distribution of Home Mortgage Loans						
Indiana Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.7	4.5	4	6.8	889	7.7
2023	4.7	5.3	0	0.0	0	0.0
Moderate						
2022	15.2	14.2	15	25.4	2,020	17.4
2023	15.2	14.8	0	0.0	0	0.0
Middle						
2022	40.7	41.4	22	37.3	4,325	37.3
2023	40.7	41.8	1	20.0	85	6.0
Upper						
2022	38.5	39.1	18	30.5	4,376	37.7
2023	38.5	37.2	4	80.0	1,342	94.0
Not Available						
2022	0.9	0.9	0	0.0	0	0.0
2023	0.9	0.9	0	0.0	0	0.0
Totals						
2022	100.0	100.0	59	100.0	11,611	100.0
2023	100.0	100.0	5	100.0	1,427	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Small Business

The geographic distribution of home mortgage loans reflects reasonable dispersion. In 2023, the bank did not make any loans in low-income census tracts, while in 2024, the bank made one loan in a low-income tract and based on the small volume of lending, performance was significantly above demographic performance. Examiners took into consideration aggregate performance as a measure of demand in the assessment area. In 2023, aggregate performance was 5.4 percent. Overall, the bank's performance in low-income tracts is reasonable.

Within moderate-income census tracts, the bank's performance was above demographics in 2023 and 2024. Aggregate performance in 2023 was 14.5 percent. Taking this into consideration, the bank's performance within moderate-income tracts was excellent. Overall, the bank's performance is reasonable.

Geographic Distribution of Small Business Loans					
Indiana Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	8.4	0	0.0	0	0.0
2024	8.2	1	20.0	597	30.1
Moderate					
2023	19.1	3	33.3	1,200	33.1
2024	18.3	1	20.0	100	5.0
Middle					
2023	34.4	4	44.4	1,011	27.9
2024	34.4	2	40.0	485	24.5
Upper					
2023	34.9	2	22.2	1,409	38.9
2024	36.0	1	20.0	800	40.4
Not Available					
2023	3.2	0	0.0	0	0.0
2024	3.2	0	0.0	0	0.0
Totals					
2023	100.0	9	100.0	3,620	100.0
2024	100.0	5	100.0	1,982	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Borrower Profile

The distribution of borrowers reflects, given the demographics of the assessment area, reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes. The conclusion is supported by reasonable home mortgage performance and excellent small business performance.

Home Mortgage

The distribution of loans to borrowers reflects reasonable penetration among retail customers of different income levels. The following table provides details:

Distribution of Home Mortgage Loans by Borrower Income Level						
Indiana Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	19.9	10.2	13	22.0	2,023	17.4
2023	19.9	8.8	0	0.0	0	0.0
Moderate						
2022	17.6	21.3	14	23.7	2,400	20.7
2023	17.6	20.7	0	0.0	0	0.0
Middle						
2022	20.6	21.5	11	18.6	2,287	19.7
2023	20.6	21.6	5	100.0	1,427	100.0
Upper						
2022	41.8	31.8	21	35.6	4,900	42.2
2023	41.8	32.7	0	0.0	0	0.0
Not Available						
2022	0.0	15.2	0	0.0	0	0.0
2023	0.0	16.1	0	0.0	0	0.0
Totals						
2022	100.0	100.0	59	100.0	11,611	100.0
2023	100.0	100.0	5	100.0	1,427	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

In 2022, CIBM’s lending to low-income borrowers significantly exceeded aggregate performance while the bank’s lending to moderate-income borrowers was slightly above aggregate performance. In 2023, the bank did not make any loans to low- and moderate-income borrowers and only made five total loans in the assessment area. As mentioned previously, loan volume declined between 2022 and 2023 in this assessment area because the bank lost its mortgage lending staff and was unable to hire replacement employees. Overall, and based upon the bank’s performance in 2022, performance is reasonable.

Small Business

The distribution of loans to borrowers of different sizes reflects excellent penetration among businesses of different sizes. Examiners focused on the bank’s lending to businesses with revenues of \$1 million or less. The following table provides details:

Distribution of Small Business Loans by Gross Annual Revenue Category					
Indiana Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	92.1	6	66.7	2,587	71.5
2024	92.1	5	100.0	1,982	100.0
>\$1,000,000					
2023	2.4	3	33.3	1,033	28.5
2024	2.4	0	0.0	0	0.0
Revenue Not Available					
2023	5.5	0	0.0	0	0.0
2024	5.5	0	0.0	0	0.0
Totals					
2023	100.0	9	100.0	3,620	100.0
2024	100.0	5	100.0	1,982	100.0

Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%

In 2023, the bank’s performance was below demographics but in 2024 it was above demographics with all loans made to businesses with less than \$1 million in gross annual revenues. As a measure of demand, examiners considered, but did not directly compare, the aggregate business lending data to the bank’s performance. In 2023, the most recent year aggregate is available, the aggregate lending performance in the bank’s assessment area to businesses with GARs of \$1 million or less was 53.8 percent, which the bank’s performance exceeded.

Additionally, not all small businesses are seeking traditional financing. For many small businesses, credit needs are often met through credit card and home equity financing. As previously mentioned, demographic data indicates there is a large volume of small businesses in the assessment area that could potentially seek alternative forms of financing.

Given these performance context factors and the bank’s 2023 and 2024 performance, the bank’s lending performance demonstrates excellent performance.

COMMUNITY DEVELOPMENT TEST

CIBM demonstrated adequate responsiveness to the community development needs of the Indiana assessment area through qualified community development investments, and services. Examiners considered the institution’s capacity and the need and availability of such opportunities.

Community Development Loans

CIBM did not originate any community development loans in the assessment area. This is a decline from the prior evaluation of when the bank made four community development loans for \$2.8 million. The current level is inconsistent with CIBM’s presence in the assessment area. While the bank lost its mortgage lenders in this assessment area and has been unable to hire anyone else to replace them, the bank has continued to originate small business loans within the area, although volume is limited.

Qualified Investments

CIBM originated twelve qualified investments and donations totaling approximately \$2.2 million of which one was a prior period investment totaling approximately \$0.1 million. This level of qualified investments in the assessment area accounts for 17.6 percent by number and 17.3 percent by dollar of total qualified investments in all the bank’s assessment areas and represents a decline compared to the previous exam, where CIBM had 41 qualified investments totaling \$3.9 million. The current level continues to exceed the bank’s branch, loan, and deposit presence in the area. The table below provides details:

Qualified Investments – Indiana Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	124	-	-	-	-	-	-	1	124
2022	-	-	-	-	-	-	-	-	-	-
2023	4	1,430	-	-	-	-	-	-	4	1,430
2024	4	675	-	-	-	-	-	-	4	675
Subtotal	9	2,229	-	-	-	-	-	-	9	2,229
Donations & Grants	1	3	2	10	-	-	-	-	3	13
Total	10	2,232	2	10	-	-	-	-	12	2,242

Source: Bank Data

CIBM has been responsive to the community development needs of the area. All the bank’s affordable housing investments are in mortgage-backed securities, which are comprised of mortgage loans to low- and moderate-income borrowers.

Community Development Services

Bank representatives provided sixteen instances of financial expertise or technical assistance to community development-related organizations in the Indiana assessment area during the evaluation period. This accounts for 17.6 percent of all CD services, which exceeds CIBM’s presence in the assessment area. It also represents an increase from the prior evaluation when bank representatives provided fourteen community development services. The table below provides details on CIBM’s community service activities:

Community Development Services – Indiana Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022 (partial)	1	3	0	0	4
2023	1	6	0	0	7
2024	1	3	1	0	5
Total	3	12	1	0	16

Source: Bank Records

Examples of CIBM’s CD Service activities include:

- An employee serves on a planning committee of organization that provides mentoring to low- and moderate-income youth to help them avoid risky behaviors, improve socio-emotional competency, and achieve educational success.
- An employee serves as a director of an affordable housing organization. The organization provides financial education and fosters relationships with state, local, and federal officials to promote affordable housing throughout the State of Indiana.
- An employee served on the loan committee of a local Community Development Corporation that makes SBA 504 loans that support job creation in the area.

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.

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Community Development Test	Rating
Illinois	Satisfactory	Satisfactory	Satisfactory
Wisconsin	Satisfactory	Outstanding	Satisfactory
Indiana	Satisfactory	Satisfactory	Satisfactory

ADDITIONAL INFORMATION ON THE LIMITED-SCOPE ASSESSMENT AREAS IN ILLINOIS

Champaign, IL Assessment Area

Demographic Information of the Assessment Area						
Champaign, IL Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	52	11.5	17.3	26.9	34.6	9.6
Population by Geography	222,538	11.1	18.5	29.3	34.3	6.7
Housing Units by Geography	101,114	12.3	20.6	30.9	31.0	5.2
Owner-Occupied Units by Geography	49,649	3.1	20.9	35.8	39.7	0.6
Occupied Rental Units by Geography	40,165	21.0	19.7	25.5	23.4	10.4
Vacant Units by Geography	11,300	21.3	22.4	29.1	19.7	7.5
Businesses by Geography	18,697	8.3	14.9	34.5	37.4	4.9
Farms by Geography	1,060	3.2	12.9	49.5	33.9	0.5
Family Distribution by Income Level	47,390	22.1	16.4	19.8	41.8	0.0
Household Distribution by Income Level	89,814	27.0	14.5	15.7	42.8	0.0
Median Family Income MSA - 16580 Champaign-Urbana, IL MSA		\$81,070	Median Housing Value			\$142,096
			Median Gross Rent			\$878
			Families Below Poverty Level			8.3%

Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0%
 (*) The NA category consists of geographies that have not been assigned an income classification.

Geographic Distribution of Home Mortgage Loans						
Champaign, IL Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	4.4	4.8	2	40.0	114	20.1
2023	4.4	5.5	1	16.7	5,500	83.7
Moderate						
2022	21.1	22.1	0	0.0	0	0.0
2023	21.1	23.5	1	16.7	133	2.0
Middle						
2022	34.2	30.9	2	40.0	320	56.6
2023	34.2	32.3	3	50.0	577	8.8
Upper						
2022	39.7	41.1	0	0.0	0	0.0
2023	39.7	37.5	1	16.7	364	5.5
Not Available						
2022	0.6	1.1	1	20.0	132	23.3
2023	0.6	1.1	0	0.0	0	0.0
Totals						
2022	100.0	100.0	5	100.0	566	100.0
2023	100.0	100.0	6	100.0	6,574	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Geographic Distribution of Small Business Loans					
Champaign, IL Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	10.1	1	14.3	50	11.7
2024	8.3	0	0.0	0	0.0
Moderate					
2023	18.6	1	14.3	64	14.9
2024	14.9	0	0.0	0	0.0
Middle					
2023	28.7	3	42.9	190	44.3
2024	34.5	2	33.3	150	14.6
Upper					
2023	37.5	2	28.6	125	29.1
2024	37.4	3	50.0	375	36.6
Not Available					
2023	5.1	0	0.0	0	0.0
2024	4.9	1	16.7	500	48.8
Totals					
2023	100.0	7	100.0	429	100.0
2024	100.0	6	100.0	1,025	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Distribution of Home Mortgage Loans by Borrower Income Level						
Champaign, IL Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	22.7	11.2	3	60.0	230	40.6
2023	22.7	12.2	0	0.0	0	0.0
Moderate						
2022	16.8	20.9	1	20.0	132	23.3
2023	16.8	21.1	3	50.0	445	6.8
Middle						
2022	20.3	19.7	0	0.0	0	0.0
2023	20.3	19.0	1	16.7	265	4.0
Upper						
2022	40.2	28.3	1	20.0	204	36.1
2023	40.2	27.7	1	16.7	364	5.5
Not Available						
2022	0.0	19.8	0	0.0	0	0.0
2023	0.0	20.1	1	16.7	5,500	83.7
Totals						
2022	100.0	100.0	5	100.0	566	100.0
2023	100.0	100.0	6	100.0	6,574	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category					
Champaign, IL Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	85.5	5	71.4	354	82.5
2024	85.9	4	66.7	275	26.8
>\$1,000,000					
2023	3.2	2	28.6	75	17.5
2024	3.1	2	33.3	750	73.2
Revenue Not Available					
2023	11.3	0	0.0	0	0.0
2024	11.0	0	0.0	0	0.0
Totals					
2023	100.0	7	100.0	429	100.0
2024	100.0	6	100.0	1,025	100.0

Source: 2023 & 2024 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%

Peoria, IL Assessment Area

Demographic Information of the Assessment Area						
Peoria, IL Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	88	10.2	19.3	50.0	20.5	0.0
Population by Geography	351,640	5.4	17.4	51.2	26.0	0.0
Housing Units by Geography	158,246	6.7	18.9	52.1	22.4	0.0
Owner-Occupied Units by Geography	100,897	2.5	16.8	55.1	25.6	0.0
Occupied Rental Units by Geography	41,271	13.5	21.8	47.2	17.6	0.0
Vacant Units by Geography	16,078	15.4	24.6	45.5	14.6	0.0
Businesses by Geography	26,628	9.7	14.0	48.1	28.2	0.0
Farms by Geography	1,473	2.6	10.0	59.5	28.0	0.0
Family Distribution by Income Level	89,527	19.3	18.5	21.5	40.7	0.0
Household Distribution by Income Level	142,168	23.3	15.7	18.5	42.5	0.0
Median Family Income MSA - 37900 Peoria, IL MSA		\$78,239	Median Housing Value			\$141,152
			Median Gross Rent			\$800
			Families Below Poverty Level			7.8%
<i>Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Geographic Distribution of Home Mortgage Loans							
Peoria, IL Assessment Area							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2022	2.5	1.0	0	0.0	0	0.0
	2023	2.5	1.5	1	1.7	290	3.7
Moderate							
	2022	16.8	16.8	1	14.3	60	6.8
	2023	16.8	17.2	14	23.3	1,273	16.3
Middle							
	2022	55.1	57.1	6	85.7	827	93.2
	2023	55.1	56.8	35	58.3	4,178	53.4
Upper							
	2022	25.6	25.1	0	0.0	0	0.0
	2023	25.6	24.5	10	16.7	2,079	26.6
Totals							
	2022	100.0	100.0	7	100.0	887	100.0
	2023	100.0	100.0	60	100.0	7,820	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Geographic Distribution of Small Business Loans					
Peoria, IL Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	10.0	2	40.0	520	48.6
2024	9.7	0	0.0	0	0.0
Moderate					
2023	14.2	1	20.0	100	9.3
2024	14.0	1	20.0	50	9.1
Middle					
2023	48.1	2	40.0	450	42.1
2024	48.1	1	20.0	225	40.9
Upper					
2023	27.6	0	0.0	0	0.0
2024	28.2	3	60.0	275	50.0
Totals					
2023	100.0	5	100.0	1,070	100.0
2024	100.0	5	100.0	550	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>					

Distribution of Home Mortgage Loans by Borrower Income Level						
Peoria, IL Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	19.2	14.7	4	57.1	315	35.5
2023	19.2	16.8	23	38.3	2,004	25.6
Moderate						
2022	18.4	20.5	2	28.6	415	46.8
2023	18.4	24.3	17	28.3	1,990	25.4
Middle						
2022	21.4	18.1	1	14.3	158	17.7
2023	21.4	21.5	14	23.3	2,397	30.7
Upper						
2022	41.0	22.5	0	0.0	0	0.0
2023	41.0	26.8	6	10.0	1,428	18.3
Not Available						
2022	0.0	24.1	0	0.0	0	0.0
2023	0.0	10.7	0	0.0	0	0.0
Totals						
2022	100.0	100.0	7	100.0	887	100.0
2023	100.0	100.0	60	100.0	7,820	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%</i>						

Distribution of Small Business Loans by Gross Annual Revenue Category					
Peoria, IL Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	83.9	4	80.0	570	53.3
2024	83.8	4	80.0	450	81.8
>\$1,000,000					
2023	4.5	1	20.0	500	46.7
2024	4.5	1	20.0	100	18.2
Revenue Not Available					
2023	11.6	0	0.0	0	0.0
2024	11.7	0	0.0	0	0.0
Totals					
2023	100.0	5	100.0	1,070	100.0
2024	100.0	5	100.0	550	100.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Bloomington, IL Assessment Area

Demographic Information of the Assessment Area						
Bloomington, IL Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	47	2.1	27.7	46.8	17.0	6.4
Population by Geography	170,954	1.3	23.3	47.5	19.7	8.1
Housing Units by Geography	72,580	1.5	26.7	49.5	15.8	6.5
Owner-Occupied Units by Geography	43,005	0.8	23.7	51.0	22.6	1.9
Occupied Rental Units by Geography	23,220	2.4	31.1	47.0	6.2	13.3
Vacant Units by Geography	6,355	2.8	31.5	48.1	4.5	13.0
Businesses by Geography	13,078	0.8	22.1	50.4	18.5	8.2
Farms by Geography	788	0.4	18.0	63.8	15.5	2.3
Family Distribution by Income Level	39,665	21.0	16.9	22.4	39.7	0.0
Household Distribution by Income Level	66,225	27.3	14.3	16.5	42.0	0.0
Median Family Income MSA - 14010 Bloomington, IL MSA		\$93,882	Median Housing Value			\$160,478
			Median Gross Rent			\$843
			Families Below Poverty Level			8.0%
<i>Source: 2020 U.S. Census and 2024 D&B Data. Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Geographic Distribution of Home Mortgage Loans						
Bloomington, IL Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	0.8	1.4	1	7.7	77	5.2
2023	0.8	1.2	0	0.0	0	0.0
Moderate						
2022	23.7	23.6	6	46.2	671	45.8
2023	23.7	21.8	3	30.0	720	12.2
Middle						
2022	51.0	51.1	6	46.2	718	49.0
2023	51.0	50.2	3	30.0	564	9.6
Upper						
2022	22.6	21.9	0	0.0	0	0.0
2023	22.6	24.0	4	40.0	4,618	78.2
Not Available						
2022	1.9	2.0	0	0.0	0	0.0
2023	1.9	2.7	0	0.0	0	0.0
Totals						
2022	100.0	100.0	13	100.0	1,465	100.0
2023	100.0	100.0	10	100.0	5,903	100.0
<i>Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%.</i>						

Geographic Distribution of Small Business Loans					
Bloomington, IL Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low					
2023	0.8	0	0.0	0	0.0
2024	0.8	0	0.0	0	0.0
Moderate					
2023	22.4	1	100.0	160	100.0
2024	22.1	0	0.0	0	0.0
Middle					
2023	50.5	0	0.0	0	0.0
2024	50.4	0	0.0	0	0.0
Upper					
2023	18.0	0	0.0	0	0.0
2024	18.5	0	0.0	0	0.0
Not Available					
2023	8.3	0	0.0	0	0.0
2024	8.2	0	0.0	0	0.0
Totals					
2023	100.0	1	100.0	160	100.0
2024	100.0	0	0.0	0	0.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%</i>					

Distribution of Home Mortgage Loans by Borrower Income Level						
Bloomington, IL Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2022	21.0	15.9	5	38.5	355	24.2
2023	21.0	15.3	4	40.0	641	10.9
Moderate						
2022	16.9	22.1	5	38.5	711	48.5
2023	16.9	22.8	2	20.0	384	6.5
Middle						
2022	22.4	20.2	1	7.7	110	7.5
2023	22.4	22.7	2	20.0	439	7.4
Upper						
2022	39.7	20.5	2	15.4	289	19.7
2023	39.7	21.1	1	10.0	377	6.4
Not Available						
2022	0.0	21.3	0	0.0	0	0.0
2023	0.0	18.0	1	10.0	4,062	68.8
Totals						
2022	100.0	100.0	13	100.0	1,465	100.0
2023	100.0	100.0	10	100.0	5,903	100.0

Source: 2020 U.S. Census; Bank Data, 2022 & 2023 HMDA Aggregate Data. Due to rounding, totals may not equal 100.0%

Distribution of Small Business Loans by Gross Annual Revenue Category					
Bloomington, IL Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
<=\$1,000,000					
2023	84.8	0	0.0	0	0.0
2024	84.9	0	0.0	0	0.0
>\$1,000,000					
2023	3.7	1	100.0	160	100.0
2024	3.7	0	0.0	0	0.0
Revenue Not Available					
2023	11.5	0	0.0	0	0.0
2024	11.4	0	0.0	0	0.0
Totals					
2023	100.0	1	100.0	160	100.0
2024	100.0	0	0.0	0	0.0
<i>Source: 2023 & 2024 D&B Data; Bank Data. Due to rounding, totals may not equal 100.0%.</i>					

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

Community Development Loan: A loan that:

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

Community Development Service: A service that:

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

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

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

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

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

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

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

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (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.