Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

March 27, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank in Olney
Charter Number **14217**

101 East Main Street, Olney, IL 62450

Office of the Comptroller of the Currency

3001 Research Road, Suite E-2, Champaign, IL 61822

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

Overall CRA Rating

The bank is rated Satisfactory.

The Lending Test is rated: Satisfactory.
The Community Development Test is rated: Satisfactory.

The major factors that support the rating for First National Bank in Olney (FNBO) include:

- Lending to borrowers of different incomes and business of different sizes is reasonable. Our analysis placed the most weight on this criterion in the lending test.

- Geographic distribution of loans among different income geographies is reasonable.

- FNBO's loan-to-deposit ratio is reasonable based on its size, financial condition, assessment area (AA) credit needs, and local competition.

- FNBO had adequate responsiveness to the needs and opportunities of its AA, primarily through community development loans and branch distribution.

Definitions and Common Abbreviations

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

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

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

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of $1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

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

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

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

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

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

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

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

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

First National Bank of Olney (FNBO) is a $325 million intrastate financial institution headquartered in Olney, Illinois (IL). The bank is a wholly owned subsidiary of Summit Bancshares, Ltd, a one-bank holding company. The bank is a full-service banking institution and operates six banking offices in Olney (3), Ingraham, Oblong, and Robinson, Illinois. The bank owns and operates five automated teller machines (ATM) at the Olney (2), Oblong, and Robinson branches and one stand-alone ATM in Robinson; one ATM in Olney and the stand-alone ATM in Robinson accept deposits. Based on the branch locations, FNBO has established one contiguous AA containing Crawford and Richland Counties and two census tracts (CTs) in Clay County. FNBO closed a branch in Noble, IL, on April 30, 2015. There have been no merger or acquisition activities or branch openings affecting the bank's CRA performance since the last evaluation.

FNBO offers conventional deposit and loan products. In addition, the bank offers online and mobile banking. The bank also offers retail non-deposit investment sales and insurance products through LPL Financial, LLC.

As of December 31, 2017, the bank's loan portfolio totaled $225.4 million, or 69.3 percent of total assets. Tier 1 capital is $35.0 million. The following table represents the loan portfolio mix:

Loan Portfolio Summary by Loan Product	
Loan Category	**% of Outstanding Dollars**
Business Loans, including Commercial Real Estate	21.1%
Farm Loans, including farmland	47.7%
Home Loans	26.6%
Consumer loans	4.6%

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

FNBO's business strategy is to deliver premier financial services and promote good business and community relationships. There are no known impediments limiting the bank's ability to help meet the credit needs of its local community, including low- and moderate-income families and neighborhoods. FNBO's deposit market share in the AA, at 24.9 percent, ranks first out of 15 banks serving the AA. FNBO received a "Satisfactory" rating during the January 27, 2014 evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated FNBO's CRA performance using Intermediate Small Bank evaluation procedures. We reviewed the bank's record of meeting the credit needs of its AA through lending activities and community development activities. The evaluation period for this review is from January 28, 2014, to March 27, 2018. For the community development test, we used information from the entire evaluation period. We determined that loan data from January 1, 2015, to December 31, 2017, was representative of the evaluation period and we sampled loans from this time period for the lending test.

Based on both the number and dollar volume of loan origination data supplied by the bank, FNBO's primary lending products are farm loans and home mortgage loans. Farm loans represent 20.7 percent of the number and 47.8 percent of the dollar volume of loan originations from 2015 through 2017. Home mortgage loans represent 14.3 percent of the number and 22.4 percent of the dollar volume of originations for the same time period. We sampled farm loans and home mortgage loans for this evaluation.

For analysis purposes, we compared the bank's lending performance with demographic data from the 2010 United States (U.S.) Census, the 2015 American Community Survey (ACS) U.S. Census, 2016 and 2017 Dun and Bradstreet (D&B) Business Geodemographic data, and FDIC deposit market share data as of June 30, 2017. The income designation of some CTs in the AA changed in 2017. As median family income was updated in 2015 and became effective for 2017 analysis, we reviewed the 2015 and 2016 loan samples separately from the 2017 loan samples. No affiliate activity was included in this analysis. Refer to the table in Appendix A for more information on the scope of the review.

Selection of Areas for Full-Scope Review

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

Ratings

FNBO's overall rating is based on the full-scope review of the AA. The loan and community development tests received equal weight in arriving at the overall rating. We placed more weight on performance for farm lending in the lending test. Farm lending made up the highest percentage of the number and dollar amount of loans originated at FNBO during the evaluation period. As a majority of the AA farms are small farms (98.4 percent) and a significant portion of the AA families are LMI (37.6 percent), the conclusions for the borrower distribution criterion was heavily weighted in determining the loan test rating. The geographic distribution criterion did not receive as much weight. There was only one LMI CT based upon the 2010 U.S. Census data and two LMI CTs per the 2015 ACS U.S. Census data. The 2017 D&B data indicates only seven farms located within the two LMI areas.

Discriminatory or Other Illegal Credit Practices Review

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

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

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

Conclusions with Respect to Performance Tests

LENDING TEST

FNBO's performance under the lending test is satisfactory. Lending to borrowers of different incomes and businesses of different sizes is reasonable. Geographic distribution of loans among different income geographies is reasonable. FNBO originated a substantial majority of its primary loan products within the AA. The loan-to-deposit ratio is reasonable.

Loan-to-Deposit Ratio

FNBO's loan-to-deposit ratio is reasonable based on its size, financial condition, AA credit needs, and local competition. The loan-to-deposit ratio averaged 73.7 percent over the past 17 quarters. The timeframe used for this calculation represents the first quarter-end after the start of the last CRA evaluation through December 31, 2017.

Over the past 17 quarters, the bank's highest loan-to-deposit ratio was 79.8 percent and the lowest was 63.6 percent. The bank's loan-to-deposit ratio is below the average of similarly situated banks within and adjacent to its AA. We reviewed the loan-to-deposit ratio for all banks with total assets between $100 million and $400 million in five counties located in and around the bank's AA. This group of four similarly situated banks averaged a loan-to-deposit ratio of 83.2 percent. FNBO's loan-to-deposit ratio average was the lowest of this group.

It is also important to note that FNBO's loan-to-deposit ratio does not include loans the bank originated and sold. Between 2014 and 2017, FNBO sold 190 home loans totaling $23.1 million into the secondary market. This further supports that this criterion is reasonable.

Lending in Assessment Area

FNBO originated a substantial majority of its primary loan products within the AA. Our sample showed 85.0 percent of the total number and 79.8 percent of the total dollar volume of these loans were originated within the AA.

Lending in the AA

	Number of Loans					Dollars of Loans				
Loan Type	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		$	%	$	%	
Home	19	95.0	1	5.0	20	1,796,598	96.2	72,000	3.8	1,868,598
Farm	15	75.0	5	25.0	20	1,332,559	65.0	718,300	35.0	2,050,859
Totals	34	85.0	6	15.0	40	3,129,157	79.8	790,300	20.2	3,919,457

Source: Sample of 20 home and 20 farm loans originated between 1/1/2015 and 12/31/2017.

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

FNBO's lending to borrowers of different incomes and farms of different sizes was reasonable.

Home Loans
The overall borrower distribution of home mortgage loans was reasonable. We noted reasonable distribution within both analyses when considering loans made to low- and moderate-income borrowers, performance context information, and demographic comparators.

In evaluating the borrower distribution of home loans, we noted the number of families with incomes below the poverty level was 10.1 percent in 2016 and 9.3 percent in 2017. People living in poverty have a difficult time qualifying for traditional mortgages. We also considered the age of the housing stock, which was 52 years overall and 62 years in the moderate-income CT in 2016. The median age of housing stock improved slightly in 2017 to 50 years overall and 55 years in the moderate-income CTs. Older housing often costs more to maintain, frequently requires significant repairs to bring dwellings up to code requirements, and often are less energy efficient. All of these factors add to the overall cost of homeownership, which can affect the ability of LMI individuals to qualify for home mortgage loans.

The overall borrower distribution of home mortgage loans originated in 2015-2016 was reasonable. FNBO had reasonable distribution to both low- and moderate-income borrowers. While the percentage of loans made to low-income borrowers was lower than the demographic comparator, this represents reasonable performance considering the information noted above. The percentage of loans made to moderate-income borrowers was near the demographic comparator.

Borrower Distribution of Residential Real Estate Loans in the AA 2015-2016								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	19.6	13.3	18.7	16.7	24.4	30.0	37.3	40.0

Source: Sample of 30 home loans originated in the AA between 1/1/2015 and 12/31/2016, and 2010 U.S. Census data.

The overall borrower distribution of home mortgage loans originated in 2017 was reasonable, primarily due to the distribution of loans to moderate-income borrowers. The distribution to moderate-income borrowers was excellent, as bank performance significantly exceeded the demographic comparator. The distribution to low-income borrowers was poor.

Borrower Distribution of Residential Real Estate Loans in the AA in 2017								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	19.4	6.7	18.2	23.3	22.1	26.7	40.3	40.0

Source: Sample of 30 home loans originated in the AA between 1/1/2017 and 12/31/2017, and 2015 ACS U.S. Census data. Income information as not available for one loan in the sample.

Farm Loans

The overall borrower distribution of farm loans was reasonable. Both analyses indicated reasonable distribution.

We noted reasonable distribution to farms of different sizes within the 2015-2016 analysis. The percentage of loans to small farms (farms with annual gross revenues of $1 million or less) was near the demographic comparator when considering both the percentage by number and dollars.

Borrower Distribution of Loans to Farms in the AA 2015-2016				
Farm Revenues (or Sales)	≤$1,000,000	>$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	98.9	1.1	0.0	100%
% of Bank Loans in AA by #	95.0	5.0	0.0	100%
% of Bank Loans in AA by $	97.9	2.1	0.0	100%

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

In the 2017 analysis, we determined that borrower distribution was reasonable. The percentage of loans to small farms was near the demographic comparator. When reviewing the dollar breakdown of our sample, we noted 74.8 percent of the dollars in loans were provided to small farms. We attributed this to larger farms requesting larger loans to meet their credit needs. One loan for $500,100 skewed the dollar amount. Additionally, 55 percent of the loans in our transaction testing had dollar amounts less than $100,000. This demonstrates that the bank is willing to make small dollar loans to meet the needs of smaller farms.

Borrower Distribution of Loans to Farms in the AA in 2017				
Farms Revenues (or Sales)	≤$1,000,000	>$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	98.4	1.3	0.3	100%
% of Bank Loans in AA by #	90.0	10.0	0.0	100%
% of Bank Loans in AA by $	74.8	25.2	0.0	100%

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

Geographic Distribution of Loans

FNBO's overall geographic distribution of home and farm loans reflects reasonable dispersion among different income tracts in the AA. The geographic dispersion for both home mortgage loans and business loans is reasonable.

We analyzed FNBO's home mortgage and small farm lending activity over the evaluation period to identify any gaps in the geographic distribution of loans. We did not identify any unexplained conspicuous lending gaps in the AA.

Home Loans
The overall geographic distribution of home mortgage loans in the AA is reasonable, primarily due to the findings from the 2015-2016 analysis and consideration of lending in underserved middle-income non-MSA CTs.

Our analysis considered that families residing in the moderate-income CTs that live below the poverty level totaled 13.0 percent in 2016 and 18.2 percent in 2017. Moderate-income CTs accounted for 7.8 percent of CTs in 2016 in the AA and 15.4 percent in 2017. There are no low-income CTs in the AA. Underserved middle-income CTs accounted for 30.8 percent of CTs in the AA during the entire evaluation period.

In the 2015-2016 analysis, the dispersion of loans to the moderate-income CT was excellent, as the bank's performance exceeded the demographic comparator. We also noted that 12 loans (40.0 percent of the sample) were originated in underserved middle-income CTs.

Geographic Distribution of Residential Real Estate Loans in the AA 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Loans	0.0	0.0	4.8	10.0	87.4	86.7	7.8	3.3

Source: Sample of 30 home loans originated in the AA between 1/1/2015 and 12/31/2016, and 2010 U.S. Census data.

FNBO's performance reflects poor dispersion within the moderate-income CTs in the 2017 analysis. The percentage of home loans made in the moderate-income CTs was below the demographic comparator. We also considered that 13 loans (43.3 percent of the sample) were originated in underserved middle-income CTs.

Geographic Distribution of Residential Real Estate Loans in the AA in 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Loans	0.0	0.0	11.8	3.3	70.5	70.0	17.7	26.7

Source: Sample of 30 home loans originated in the AA between 1/1/2017 and 12/31/2017, and 2015 ACS U.S. Census data.

Farm Loans

The overall geographic distribution of farm loans in the AA is reasonable. We noted reasonable distribution considering lending in underserved middle-income non-MSA CTs, performance context information, and demographic comparators. Our analysis considered that only six farms are located in the moderate-income CTs in 2016 and seven farms in 2017.

Our samples did not include any farm loans located in moderate-income CTs. Outside of our samples, the bank provided documentation of making six loans to three small farm borrowers located in the moderate-income CTs during the evaluation period. Additionally, eighteen loans (45.0 percent of total farm loans sampled) were located within underserved middle-income CTs.

Geographic Distribution of Loans to Farms in the AA 2015-2016								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farm Loans	0.0	0.0	1.6	0.0	86.0	80.0	12.4	20.0

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

Geographic Distribution of Loans to Farms in the AA 2017								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Farm Loans	0.0	0.0	1.8	0.0	76.8	80.0	21.4	20.0

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

Responses to Complaints

FNBO has not received any complaints regarding its CRA performance during the assessment period.

COMMUNITY DEVELOPMENT TEST

FNBO's performance under the community development test is rated satisfactory. The bank demonstrated adequate responsiveness to the needs and opportunities of its AA. FNBO provided adequate responsiveness to AA needs through community development (CD) loans, qualified investments, and CD services. FNBO provided $2.8 million in community development loans, primarily responding to needs for economic development that created/retained 58 jobs in the AA, revitalization and stabilization of LMI and underserved geographies, and affordable housing for LMI individuals. The bank also made $1.1 million in qualified investments primarily focused on revitalization and stabilization of LMI geographies and economic development in the AA. Nine organizations in the AA benefitted from community development services provided by eight bank employees. These organizations primarily provide community services to LMI individuals and economic development. Total community development loans and qualified investments are $3.9 million, representing 11.0 percent of tier 1 capital.

Number and Amount of Community Development Loans

FNBO's level of community development loans provided adequate responsiveness to community credit needs in the AA. During the evaluation period, the bank originated 22 CD loans totaling $2.8 million (8.0 percent of tier 1 capital) in the AA. These loans resulted in economic development that created/retained 58 jobs in the AA and promoted revitalization and stabilization of LMI and underserved geographies. In addition, the loans provided affordable housing for LMI individuals. These include financing the acquisition of seven multi-family rental properties with 64 units. One nonprofit organization providing community services to primarily LMI individuals also benefited from CD loans.

During the evaluation period, FNBO originated nine loans totaling $777,712 to five small businesses that promoted economic development and created/retained 58 jobs for LMI individuals in the AA. Two loans helped two existing businesses in underserved middle-income CTs expand operations. Seven loans assisted three start-up businesses to acquire property and equipment. Two of the new businesses are located in the moderate-income CT in Olney, IL. These loans also helped revitalize/stabilize the moderate-income and underserved non-metropolitan areas by providing jobs.

The bank originated 10 loans totaling $1.4 million to six borrowers that provided affordable housing for LMI individuals. The bank originated six loans to four borrowers to purchase five apartment buildings that provided affordable housing in Robinson and Palestine, IL. One seven-unit apartment building is located in a moderate-income CT. A comparison of rents to median rents in the AA confirms that all of these properties primarily accommodate LMI families. These properties provided 45 units for affordable housing. In addition, the bank made four loans to two borrowers to purchase and upgrade two trailer parks that provided 19 units for affordable housing accommodating LMI persons. Both trailer parks are located in the moderate-income CT in Olney, IL. The Housing Authority of Richland County provides rent assistance for six units through the Housing Choice Voucher program. .

The bank originated three loans totaling $600,000 to a nonprofit organization providing housing and developmental training for disabled persons. The organization provides LMI jobs for 43 people in the training program. The residential program provides housing for five LMI residents and is located in a moderate-income CT.

Number and Amount of Qualified Investments

The level of qualified investments reflects adequate responsiveness to community needs in the AA. During the evaluation period, FNBO made 53 qualified investments and grants/donations totaling $1.1 million, and representing 3.0 percent of tier 1 capital.

Investments include one general obligation school bond totaling $1.0 million benefiting Eastern Community College District #529, which is headquartered in Olney, IL. The district includes Olney Central College in Olney, IL, and Lincoln Trail College in Robinson, IL, in the AA. The district headquarters is located in an underserved CT and Olney Central College is located in a moderate-income CT. The purpose of the bond was to fund and refinance facility improvements in the district, which helped to revitalize and stabilize a moderate-income geography by providing educational and job training opportunities.

The bank provided 52 grants/donations totaling $46,976 to 20 organizations to promote economic development and revitalize and stabilize LMI geographies, as well as provide community services to LMI individuals.

- $29,155 to the Richland County Development Corporation, which facilitates economic development and job creation/retention in the county. Richland County is comprised of one moderate-income and four underserved middle-income CTs.
- $6,000 to organizations supporting projects to improve the parks in Olney. One park is located in a moderate-income CT and one is located in an underserved CT, helping to revitalize and stabilize the community and attract commerce to the area.
- The remaining funds were provided to organizations supporting community services for LMI individuals. These services help support education scholarships, school programs and supplies, food pantries, affordable housing, youth programs, and other nonprofit groups that provide assistance to LMI families.

Extent to Which the Bank Provides Community Development Services

The extent to which FNBO provides community development services in the AA provides reasonable responsiveness to community needs. The branch structure provides good accessibility to banking services in moderate-income CTs. The bank operates two branches located in moderate-income CTs in Olney and Robinson, representing 16.7 percent of branches in 2016 and 33.3 percent of branches in 2017 in the AA. This substantially exceeds the percentage of moderate-income CTs in the AA of 7.7 percent in 2016 and 15.4 percent in 2017. Two more branches in Olney are located in underserved middle-income non-MSA CTs. The bank does not charge bank customers transaction fees at its five ATMs. The bank offers free basic checking with no minimum balance, free online/mobile banking, and free electronic bill pay. While the bank does not maintain records showing how these alternative methods of delivery and free accounts increase access, these services generally help to increase access to financial services for all individuals, including LMI individuals.

Eight employees provide financial technical assistance that benefits nine different organizations primarily focused on community services to LMI individuals and economic development. Employees participated in these organizations in a leadership capacity, either as a board member, officer, or educational instructor.

- Five individuals serve as board members and/or officers of five different nonprofit community service organizations that provide services to LMI individuals or focus on revitalization and stabilization projects in LMI and underserved geographies.
- Three individuals serve as board members and/or officers of three economic development organizations.
- Three individuals taught financial literacy programs at one school district, where a majority of students in the school district participate in the free (or reduced) lunch program. The bank also provides financial education reference materials to local high schools in the AA, including two school districts with a majority LMI students.
- The bank also served as the corporate sponsor of a fundraising event for a nonprofit organization that provides youth program for LMI families. This included providing food for participants and sponsoring four teams for children in the organization.

Responsiveness to Community Development Needs

FNBO has satisfactory responsiveness to community development needs. The bank's branch structure is accessible to moderate-income geographies with 33.3 percent of branches located in the moderate-income CTs. The bank primarily responded to AA needs through community development loans. Combined community development loans and investments total $3.9 million and 11.0 percent of tier 1 capital. The bank originated community development loans totaling $777,712 in LMI and underserved middle-income geographies in the AA to revitalize and stabilize the area and promote economic development. These loans created or retained 58 jobs for LMI individuals in the AA. The bank also made 16 investments and donations totaling $1.0 million to revitalize and stabilize LMI and underserved middle-income geographies and promote economic development. Four bank employees serve in leadership roles at three economic development organizations and three nonprofit organizations focused on revitalization and stabilization of LMI and underserved geographies. Middle-income CTs in Richland County are designated underserved non-MSA geographies, as the area is remote rural. With 46.2 percent of AA CTs considered LMI or underserved there is a need for revitalization within the AA.

FNBO originated 10 loans totaling $1.4 million to six borrowers to purchase five apartment buildings and two trailer parks providing affordable housing to LMI families in the AA. Additionally, three community development loans and 37 donations supporting organizations providing community services to LMI individuals and families total $611,821. Three bank employees serve in leadership roles at two nonprofit community service organizations that provide services to LMI individuals. Three bank employees taught financial educations programs primarily benefiting LMI individuals. The poverty rate at 9.2 percent of families and significant number of LMI families at 37.6 percent of the population emphasizes the need for community services for LMI individuals.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/2015 to 12/31/2017) Investment and Service Tests and CD Loans: (01/28/2014 to 03/27/2018)	
Financial Institution		**Products Reviewed**
First National Bank in Olney (FNBO) Olney, IL		Farm and Residential Mortgage Loans
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
List of Assessment Areas and Type of Examination		
Assessment Area	**Type of Exam**	**Other Information**
Non-MSA AA (Crawford and Richland Counties, and CT #9719 and #9720 in Clay County)	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Non-MSA AA 2016

Demographic Information for Full Scope Area: Olney 2016						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	13	0.0	7.7	84.6	7.7	0.0
Population by Geography	41,411	0.0	5.8	87.3	6.9	0.0
Owner-Occupied Housing by Geography	13,291	0.0	4.8	87.4	7.8	0.0
Business by Geography	2,141	0.0	10.3	84.5	5.2	0.0
Farms by Geography	372	0.0	1.6	86.0	12.4	0.0
Family Distribution by Income Level	11,055	19.6	18.7	24.4	37.3	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	4,230	0.0	7.3	87.7	5.0	0.0
Median Family Income FFIEC Adjusted Median Family Income for 2016 Households Below Poverty Level		54,499 58,000 12.9%	Median Housing Value Unemployment Rate (2010 US Census)		72,817 5.6%	

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

Non-MSA AA 2017

Demographic Information for Full Scope Area: Olney 2017						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	13	0.0	15.4	69.2	15.4	0.0
Population by Geography	40,830	0.0	13.0	71.5	15.5	0.0
Owner-Occupied Housing by Geography	12,577	0.0	11.8	70.5	17.7	0.0
Business by Geography	2,065	0.0	20.6	66.5	12.9	0.0
Farms by Geography	380	0.0	1.8	76.8	21.4	0.0
Family Distribution by Income Level	10,634	19.4	18.2	22.1	40.3	0.0
Distribution of Low and Moderate Income Families throughout AA Geographies	4,003	0.0	17.4	69.2	13.4	0.0
Median Family Income FFIEC Adjusted Median Family Income for 2017 Households Below Poverty Level		59,121 60,400 12.8%	Median Housing Value Unemployment Rate (2010 ACS US Census)		81,701 3.0%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2015 ACS U.S. Census, 2017 FFIEC updated MFI, 2017 D & B Business Geodemographic Data.

The AA consist of the entire counties of Crawford and Richland, and CTs #9719 and #9720 in Clay County in Illinois. The census tracts in Clay County are near the Ingraham Branch in the northeast corner of the county. It would be difficult for the bank to service all of Clay County given its location. The subject counties are adjacent, and located in East Central Illinois approximately 122 miles east of St. Louis, Missouri, and 32 miles west of the Indiana (IN) state line. None of these counties are located within an MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude LMI geographies. There are no low-income CTs and one moderate-income CT in 2016 and two moderate-income CTs in 2017 in the AA. Richland County had four underserved middle-income non-MSA CTs during the entire evaluation period, representing 30.8 percent of AA CTs. A branch in Olney and Robinson are located in moderate-income CTs. Two other branches in Olney are located in underserved CTs.

The 2015 ACS updated median family income and changed the income designations of two CTs in the AA for 2017. Between 2016 and 2017, CT #8802 in Crawford County was changed to upper-income from middle-income and CT #8804 was changed to moderate-income from middle-income.

Competition in the AA comes from 15 FDIC-insured depository institutions, three credit unions, and four mortgage companies. As of June 30, 2017, FNBO's deposits in the AA totaled $284 million, which is 24.9 percent of the market. The bank's deposit market share ranks first out of 15 FDIC-insured depository institutions, per the June 2017 FDIC deposit market share data. The top three depository institutions account for 51.6 percent of total deposits in the AA. The depository institutions with the second and third highest deposit market share are First Robinson Savings Bank, N.A. and BankTrust.

Employment and Economic Factors
According to the Bureau of Labor Statistics, unemployment in the AA ranges between 4.3 percent and 5.3 percent, with the lowest in Richland County and the highest in Crawford County in December 2017. The state and national unemployment rates are 4.7 percent and 4.1 percent, respectively, in December 2017. In February 2014, Clay County experienced a high unemployment rate of 10.1 percent, but unemployment fell throughout the evaluation period. Similarly, state and national unemployment rates have fallen from 6.9 percent and 5.7 percent, respectively, for the same period.

The percentage of families in the AAs living below the poverty level is 9.2 percent. Families residing in the moderate-income CTs that live below the poverty level total 18.2 percent. Moderate-income geographies account for 15.4 percent of the CTs in the AA based on the 2015 ACS U.S. Census.

Industries driving the local economy include agriculture, manufacturing, healthcare, and retail. The largest employers in Crawford County are Hershey Company, Marathon Petroleum Corp., Crawford Memorial Hospital, and local school districts. The largest employers in Richland County are Wal-Mart, Richland Memorial Hospital, and the local school districts. In addition, many residents commute to Effingham, IL, and Terre Haute, IN, for additional employment opportunities. Businesses in the AA are 76.4 percent small businesses with gross annual revenues of $1 million or less, 6.2 percent businesses with gross annual revenues over $1 million, and 17.4 percent where businesses did not report revenue information. Businesses located in the moderate-income CTs total 20.6 percent (425 businesses) of total businesses in the AA.

Housing
Only 15.4 percent (2,863 units) of total housing units are in the moderate-income CTs. According to the 2015 ACS U.S. Census, housing units in the moderate-income CTs were 51.8 percent owner-occupied (1,483 units), 30.9 percent rentals (884 units), and 17.3 percent vacant (496 units). The median monthly gross rent in the AA was $542, and $502 in the moderate-income CTs. The median age of housing units in the moderate-income CTs is 55 years.

Community Contact
We performed one community contact with a government agency in the AA. The contact noted good utilization of government guaranteed farm loan programs, and interest in youth loan programs supporting startup of small income producing projects connected with 4-H Clubs and Future Farmers of America. She mentioned opportunities for microloan programs for new non-traditional farm operations. She also

noted concern about declining commodity prices and increasing farm input costs stressing local farmers.

Contextual research also indicates that there is a need for revitalization and stabilization of underserved areas in the AA. The middle-income geographies in Richland County were considered underserved middle-income non-metropolitan tracts in remote rural areas in 2014, 2015, 2016, and 2017. The Federal Financial Institutions Examination Council publishes a list of distressed and underserved areas by county and state annually.