

PUBLIC DISCLOSURE

May 02, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

United Community Bank
Certificate Number: 19459

301 North Main Street
Chatham, Illinois 62629

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

300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606

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

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INSTITUTION RATING

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

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

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to assessment area credit needs.
- A high percentage of loans are made in the bank’s assessment areas.
- The geographic distribution of loans reflects good penetration throughout the overall assessment area.
- The distribution of loans to borrowers reflects good penetration among retail customers of different income levels and business and farm customers of different sizes.
- The institution made a relatively high level of community development loans.
- The bank uses innovative and/or flexible lending practices in order to serve assessment area credit needs.
- The bank has a good record of serving the credit needs of highly economically disadvantaged areas in its assessment area, low-income individuals, or businesses and farms with gross annual revenues of \$1 million or less, consistent with safe and sound operations.

The Investment Test is rated High Satisfactory.

- The institution has a relatively significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.

- The institution exhibits good responsiveness to credit and community economic development needs.
- The institution makes significant use of innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and to low- and moderate-income individuals.
- Services, including business hours, do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies or individuals.
- The institution provides a relatively high level of community development services.

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. Therefore, this criterion did not affect the institution's overall CRA rating.

DESCRIPTION OF INSTITUTION

Background

United Community Bank (UCB) is a \$3.5 billion state-chartered, non-member bank that operates in the State of Illinois and eastern Missouri. The bank is headquartered in Chatham, Illinois, and wholly owned by United Community Bancorp, Inc., a one-bank holding company. The institution was last evaluated, using Large Institution CRA Examination Procedures, on February 19, 2019, and received an overall Satisfactory CRA rating.

During the review period, the bank merged with Mercantile Bank (Mercantile), which was also owned by United Community Bancorp, Inc. Mercantile was headquartered in Quincy, Illinois, and operated five branches in Illinois and one branch in Palmyra, Missouri. Total assets at the time of the merger was \$467.5 million and included \$280.4 million in loans and \$111.6 million in securities. Mercantile received a Satisfactory CRA rating under Intermediate Small Institution CRA Examination Procedures at its last evaluation on June 13, 2017.

Operations

UCB operates 44 full-service offices throughout 14 counties in Illinois and one full-service branch in one county in Missouri. The bank's main office is in Chatham, Illinois, which is located in Sangamon County. The bank operates 15 branches in Sangamon County, which is located in the Springfield Metropolitan Statistical Area (MSA). Additionally, the bank operates 19 offices in the Non-MSA counties of Adams, Brown, Greene, Hancock, Logan, McDonough, Pike, and Scott,

Illinois. UCB continues to operate eight offices in the St. Louis, MO-IL MSA, and one office in the Bloomington MSA. As mentioned previously, due to the merger, the bank operates one full-service branch in Marion County, Missouri.

The bank’s primary business focus continues to be home mortgage, small business, and small farm lending. This conclusion was confirmed during on-site interviews with members of management, as well as a review of the lending activity during the current evaluation period. Additionally, the institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. The bank also offers investment advisory and trust services. Alternative banking services include internet and mobile banking, electronic bill pay, and 57 bank-owned automatic teller machines (ATMs).

Ability and Capacity

According to the Consolidate Reports of Condition, as of December 31, 2021, UCB reported total assets of \$3.5 billion, which included total loans of \$1.8 billion, and total securities of \$1.0 billion. The following table illustrates the bank’s loan portfolio and reflects the bank’s focus on home mortgage lending.

Loan Portfolio Distribution as of 12/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development and Other Land Loans	102,882	5.9
Secured by Farmland	191,982	11.0
Secured by 1-4 Family Residential Properties	376,192	21.5
Secured by Multi-Family (5 or more) Residential Properties	21,667	1.2
Secured by Non-Farm Non-Residential Properties	452,795	25.9
Total Real Estate Loans	1,145,518	65.4
Commercial and Industrial Loans	333,665	19.1
Agricultural Production and Other Loans to Farmers	116,139	6.6
Consumer	28,083	1.6
Obligations of States and Political Subdivisions in the United States	29,786	1.7
Other Loans	86,365	4.9
Lease Financial Receivables (net of unearned income)	11,211	0.6
Total Loans	1,750,767	100.0

Source: Reports of Condition and Income

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

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. UCB designated 12 separate assessment areas within the State of Illinois and one assessment area in the State of Missouri. Eight counties designated as an assessment area are not located within a MSA; and will all be evaluated under the Illinois Non-MSA portion of the evaluation. The designated 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 regulation.

The following table presents a brief description of each assessment area, showing the counties, number of census tracts and branches.

Composition of Assessment Areas			
Assessment Area	Counties in Assessment Area	# of CTs	# of Branches
Springfield, IL MSA	Sangamon	53	15
Greene County, IL Non-MSA	Greene	5	2
Scott County, IL Non-MSA	Scott	2	1
Pike County, IL Non-MSA	Pike	5	1
McDonough County, IL Non-MSA	McDonough	10	4
Brown County, IL Non-MSA	Brown	2	1
Hancock County, IL Non-MSA	Hancock	7	3
Logan County, IL Non-MSA	Logan	5	2
Adams County, IL Non-MSA	Adams	18	5
St. Louis, MO-IL MSA	Macoupin*	16	4
St. Louis, MO-IL MSA	Madison**	60	4
Bloomington, IL MSA	McLean	1	1
Marion County, MO Non-MSA	Marion	7	1

*Source: Bank Records; CT=Census Tract *The Macoupin County, IL Assessment Area also includes three bordering census tracts in adjacent counties: Tract 9523 in Morgan Co, Tract 9575 in Montgomery Co.*

A more detailed discussion of each assessment area, including economic and demographic data, competition, and community contacts is located in the separate MSA and non-MSA sections of this evaluation.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated February 19, 2019, to the current evaluation dated May 2, 2022. Examiners used the Interagency Large Institution CRA Examination Procedures to evaluate UCB’s CRA performance. These procedures include three tests: the Lending Test, the Investment Test, and the Service Test. The criteria for these procedures are listed in the Appendix. Banks must achieve at least a Low Satisfactory rating under the Lending Test in order to obtain an overall Satisfactory rating.

UCB also continues to operate wholly-owned mortgage lending subsidiary, Community Banc Mortgage Corp. or “BancMac”. BancMac maintains agreements with nearly 70 correspondent banks or third party originators (TPOs) in Illinois, Indiana, Missouri, Iowa, and Nebraska for the purchase of conventional, Federal Housing Administration (FHA), Veterans Administration (VA) and U.S. Department of Agricultural (USDA) Rural Housing mortgage loans. The substantial volume of home mortgage loans originated or purchased through BancMac are outside of UCB’s assessment areas. Specifically, less than five percent of BancMac’s originations or purchases were within UCB’s assessment areas in 2020. Due to the limited lending activity within UCB’s

assessment areas, affiliate lending was not considered in this evaluation, as it would have little impact on the bank's overall rating.

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage, small business, and small farm loans. This conclusion was based upon the bank's business strategy and number and dollar volume of loans originated during the evaluation period. Due to the larger number and dollar volume of home mortgage and small business loans, these products received greater weight in this evaluation.

Bank records and call report data indicated that the lending focus and product offerings remained consistent throughout the evaluation period. Examiners analyzed all home mortgage, small business, and small farm loans originated since the prior evaluation and did not identify any trends that materially affect the conclusions.

This evaluation considered all home mortgage loans reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) for 2020 and 2021. In 2020, the bank reported 3,744 originated home mortgage loans totaling \$543.5 million. In 2021, the bank reported 2,373 originated loans totaling \$320.3 million. This evaluation presents loan performance data for both years. The bank's performance is compared to the 2015 American Community Survey (ACS) census data.

Additionally, this evaluation considered all small business and small farm loans reported on the bank's CRA LARs for 2020 and 2021. With respect to small business lending, the bank originated 2,510 loans totaling \$208.4 million in 2020 and 1,783 loans totaling \$157.2 million in 2021. With respect to small farm lending, the bank originated 926 loans totaling \$0.9 million in 2020 and 1,491 loans totaling \$1.5 million in 2021. Examiners compared the bank's performance to CRA aggregate data and area demographics.

Small business and small farm lending in 2020 also significantly outpaced previous years due to the COVID-19 pandemic. The bank made a significant number of such loans as part of relief provided by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Payroll Protection Program (PPP) administered by the Small Business Administration (SBA). The distribution of borrowers may be skewed and not fully reflective of lending activity during the review period because of the structure of underwriting criteria, including unknown revenues of the businesses for PPP loans. As a result, both 2020 and 2021 small business and small farm loans are presented for Lending Test in all assessment areas.

Examiners reviewed the number and dollar volume of home mortgage, small business, and small farm loans. While both number and dollar volume of loans are presented, examiners emphasized performance by number of loans because it is a better indicator of the number of individuals, businesses, and farms served.

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

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

An overall “High Satisfactory” rating is assigned under the Lending Test.

The Lending Test rating was determined by evaluating the bank’s lending activity, assessment area concentration, geographic distribution, borrowers’ profile, community development lending, responsiveness to credit needs, and innovative and flexible lending practices. Of these criterion, examiners placed more weight on the geographic distribution, borrower profile, and community development lending. These criterion, in particular, measure the bank’s effectiveness at meeting the credit needs in low- and moderate-income neighborhoods, individuals, small businesses, and small farms, which is the primary essence of CRA. In addition, as mentioned previously, more emphasis was placed on performance in the Springfield, IL MSA and Illinois Non-MSA, collectively, Illinois, as these areas are where the majority of the institution’s branches and operations are located.

Lending Activity

Lending levels reflect good responsiveness to the assessment areas’ credit needs. This conclusion is primarily drawn based on the bank’s lending activity in Illinois, which concluded that it has a good record of serving the credit needs of low- and moderate-income individuals and businesses and farms with gross annual revenues of \$1 million or less, consistent with safe and sound operations.

Some highlights are noted below:

- In the Springfield, IL MSA assessment area, UCB held the highest market share by number of home mortgage loans among 231 lenders that made loans in the MSA during 2020. For small business loans, UCB held the highest market share by both number and dollar volume of loans, among 82 lenders that reported small business loan data in the MSA in 2020. Additionally, UCB held the number one market share by number and dollar volume of small farm loans among 12 lenders that reported small farm loan data in 2020.
- In the Illinois Non-MSA assessment area, UCB held the highest market share by number and dollar volume of home mortgage lenders among 208 lenders that reported loans in the Non-MSA during 2020. UCB also held the highest market share by number and dollar volume of small business and small farm lenders among 77 and 22 lenders, respectively, which reported these types of loans in 2020.

A complete discussion of the bank’s performance under this criterion is located in the separate assessment area sections of this evaluation.

Assessment Area Concentration

UCB originated a high percentage of its loans to borrowers within its assessment area. As shown in the following table, the bank originated a majority of its home mortgage, small business, and small farm loans inside the assessment area for all years analyzed, by both number and dollar volume.

The bank’s performance demonstrates good responsiveness to assessment area credit needs by reinvesting deposits back into loans located within the local community.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage										
2020	3,081	82.3	663	17.7	3,744	434,605	80.0	108,895	20.0	543,500
2021	1,907	80.4	466	19.6	2,373	245,931	76.8	74,391	23.2	320,322
Subtotal	4,988	81.5	1,129	18.5	6,117	680,536	78.8	183,286	21.2	863,822
Small Business										
2020	2,174	86.6	336	13.4	2,510	163,595	78.5	44,809	21.5	208,404
2021	1,550	86.9	233	13.1	1,783	121,765	77.5	35,398	22.5	157,163
Subtotal	3,724	86.7	569	13.3	4,293	285,360	78.1	80,207	21.9	365,567
Small Farm										
2020	787	85.0	139	15.0	926	94,065	87.1	13,912	12.9	107,977
2021	1,302	87.3	189	12.7	1,491	97,255	88.6	12,490	11.4	109,745
Subtotal	2,089	86.4	328	13.6	2,417	191,320	87.9	26,402	12.1	217,722
Total	10,801	84.2	2,026	15.8	12,827	1,157,216	80.0	289,895	20.0	1,447,111
<i>Source: Bank Data</i>										
<i>Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the overall assessment area. This conclusion is primarily derived by the bank’s adequate geographic distribution of home mortgage, small business, and small farm loans in all assessment areas. A complete discussion of the bank’s performance for this criterion is located in the separate assessment area sections of this evaluation.

Borrower Profile

The distribution of loans to borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business and farm customers of different sizes. This conclusion is primarily derived by good borrower distributions in all assessment areas. Please refer to the separate assessment area sections of this evaluation for further discussion of the bank’s performance under this criterion.

Innovative or Flexible Lending Practices

The institution makes use of innovative and/or flexible lending practices in serving the credit needs within its assessment areas. The bank engages in federally sponsored loan programs, such as the Federal Housing Administration (FHA), Veterans Administration (VA), United States Department

of Agriculture (USDA) Rural Housing, and Fannie Mae (FNMA). These programs are designed to assist low- and moderate-income borrowers achieve homeownership. The bank originated 1,513 loans totaling \$143.2 million throughout the review period within these loan programs.

Additionally, UCB was very responsive to providing assistance to customers impacted by the COVID-19 pandemic. These options were designed to align with the CARES Act, assisting customers impacted by the pandemic who were struggling with the loss of income. Full principal and interest payments were deferred for over 1,300 home mortgage and consumer installment customers needing assistance. Commercial customers were provided with various options, including interest only payment options, as well as assistance securing funds under the SBA PPP loan assistance program. Over 350 commercial customers were provided assistance with payment options during the pandemic. The bank originated 1,593 PPP loans totaling \$79.3 million in 2020 and 1,653 PPP loans totaling \$49.7 million in 2021. These activities were especially impactful for many smaller operations based on gross annual revenue (GAR).

The following table provides a summary of the bank’s flexible lending activity since 2019 throughout their assessment areas.

Type of Program	Innovative or Flexible Lending Programs – Overall									
	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Federal Housing Administration	15	1,711	27	2,793	32	3,509	2	290	76	8,303
Fannie Mae HomeReady	132	12,290	128	12,583	232	22,251	16	1,495	508	48,619
Fannie Mae Community Seconds	54	4,014	44	3,622	48	3,787	2	173	148	11,596
Fannie Mae RefiNow	-	-	-	-	5	528	-	-	5	528
Veterans Administration	37	5,014	34	5,665	25	5,008	1	330	97	16,017
USDA Guaranteed Rural Housing	55	4,345	108	10,008	98	9,843	7	723	268	24,919
FarmerMac	11	3,040	21	7,206	14	4,797	-	-	46	15,043
FHLB Down Payment Plus Grant	61	359	66	371	59	349	6	36	192	1,115
Small Business Administration	3	219	4	624	5	808	1	58	13	1,709
UCB Credit Builder	-	-	-	-	2	2	-	-	2	2
Totals	368	30,992	432	42,872	520	50,882	35	3,105	1,355	127,851

Source: Bank Records

The description of the bank’s flexible lending programs follow:

- **Federal Housing Administration** – UCB offers various FHA loan products, with flexible underwriting guidelines and down payments as low as 3.5 percent. The FHA guarantees the loans made through this program by participating lenders.
- **Fannie Mae HomeReady Loan Program** – The bank offers a variety of fixed- and variable-rate mortgage loans through this program with maturities of up to 30 years with low down payment options. This program is designed for creditworthy low- to moderate-income borrowers, with expanded eligibility for financing homes in low-income communities.
- **Fannie Mae Community Seconds** – This second mortgage loan program assists low- and moderate-income households find sources for a down payment.

- **Fannie Mae RefiNow** – The bank began offering this product in 2021. The RefiNow program is targeted towards low- and moderate-income borrowers in helping them build equity and grow wealth by offering financing options related to their residence.
- **United States Department of Veterans Affairs** – This mortgage loan program was established by the VA to help veterans and their families obtain home financing. The VA insures the loans made through this program by participating lenders. UCB offers VA loans, which have no private mortgage insurance and provide up to 100 percent financing.
- **United States Department of Agriculture Rural Housing (USDA Rural)** – This program assists approved lenders in providing low- and moderate-income households the opportunity to own adequate dwellings as their primary residence in eligible rural areas. The program provides a 90 percent loan note guarantee to approved lenders in order to reduce the risk of extending 100 percent loan-to-value loans to eligible rural homebuyers.
- **Farmer Mac** – Farmer Mac enables lenders to offer more competitive terms and a full suite of products including long-term fixed rate loans.
- **The Downpayment Plus (DPP)** – The program is through the Federal Home Bank of Chicago. This program provides down payment and closing cost assistance for income-eligible homebuyers for a primary residence. Funds are provided through a forgivable grant at the time of loan closing. The maximum grant is \$6,000 or 25 percent of the mortgage amount. Loans made through FHA, VA, Rural Development, or state housing agencies are eligible.
- **Small Business Administration (SBA)** – The bank offers a variety of SBA options to small businesses such as SBA 7(a) and SBA 504 loan programs. These loans offer competitive rates and fees for small businesses.
- **UCB Credit Builder** – The bank offers a small dollar loan program designed to assist individuals with no credit history or past credit history challenges rebuild their credit.

A complete discussion of the bank’s performance under this criterion is located in the separate assessment area sections of this evaluation.

Community Development Loans

UCB made a relatively high level of community development loans within its assessment areas. For the current evaluation period, the bank originated 383 community development loans totaling \$210.1 million, which represents 12 percent of the bank’s total loans as of December 31, 2021. At the last evaluation, the bank originated 325 community development loans totaling \$75.1 million that represented 6.0 percent of the bank’s total loans.

The institution’s level of community development lending was compared to four other financial institutions that operate in or near the bank’s assessment areas and evaluated under Large Bank Examination Procedures for CRA during the current review period. These institutions had total assets ranging from \$1.8 billion to \$3.2 billion, and a community development loan-to-total loan

ratio ranging from 9.5 percent to 32.1 percent. UCB’s ratio of 12 percent is the second highest among the five institutions.

As shown in the following table, a majority of UCB’s qualified community development loans support affordable housing, a prominent need throughout the assessment areas. Specifically, the bank renews a large number of home mortgage loans that are collateralized by 1-4 family residences rented at rates that are affordable for low- and moderate-income individuals. Typically, these renewals represent the extension of a balloon mortgage that is maturing. Because such loans are renewed, as opposed to refinanced, they are not reported for HMDA purposes, and thus, can be considered for community development purposes.

The following two tables summarize the bank’s community development lending activity since the last evaluation. The first table summarizes the bank’s community development lending activity by year and purpose, while the second table summarizes the bank’s activity by assessment area and purpose.

Community Development Lending - Overall										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
2019	82	15,553	11	24,650	4	9,841	6	13,681	103	63,725
2020	101	11,997	6	8,115	23	27,042	24	29,243	154	76,397
2021	100	11,485	6	672	9	11,499	11	46,370	126	70,026
Total	283	39,035	23	33,437	36	48,382	41	89,294	383	210,148

Source: Bank Records

Community Development Lending by Assessment Area										
Assessment Area (AA)	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)
Springfield, IL MSA AA	85	8,929	10	24,802	4	3,965	3	13,486	102	51,182
Non-MSA AA	134	10,738	3	169	17	20,503	15	34,696	169	66,106
St. Louis, MO-IL MSA AA	34	3,147	9	2,466	4	4,953	12	12,184	59	22,750
Bloomington-Normal, IL MSA AA	-	-	-	-	-	-	-	-	0	0
Missouri Non-MSA AA	-	-	-	-	1	1,428	-	-	1	1,428
Broader Statewide Regional Area	30	16,221	1	6,000	10	17,533	11	28,928	52	68,682
Total	283	39,035	23	33,437	36	48,382	41	89,294	383	210,148

Source: Bank Records

INVESTMENT TEST

An overall “High Satisfactory” rating is assigned under the Investment Test, which reflects that UCB had a relatively significant level of qualified community development investments and grants; occasionally in a leadership position, particularly in those not routinely provided by private investors.

For this conclusion, examiners placed more weight on performance in the Springfield, IL MSA and Illinois MSA, the assessment areas where the bank has its largest presence. This conclusion was determined by evaluating the investment and grant activity, its responsiveness to credit and community development needs, and use of innovative and complex investments to support community development initiatives. For this performance test, more weight is placed on the investment and grant activity criterion.

Investment and Grant Activity

UCB made or held 130 qualified investments and 774 qualified donations totaling approximately \$65.6 million during the evaluation period. This level of qualified investments, by dollar volume, represents 6.5 percent of total securities and 1.9 percent of total assets as of December 31, 2021. By number, this represents a significant increase from the previous evaluation when UCB had 89 qualified investments. Qualified investments totaled \$57.1 million, or 10.1 percent of total securities at the last evaluation.

The institution’s level of community development investments was compared to the same four similarly situated financial institutions previously mentioned. These institutions had total qualified investments-to-total securities ratios ranging from 2.2 to 14.4 percent. UCB’s ratio of 6.5 compares favorably to one institution, comparable to one institution, and below that of two similarly situated institutions. By number and dollar volume, UCB ranked first among the five institutions with the next highest ranked institution holding 58 qualified investments totaling \$59.7 million.

Examples of qualified investments inside the bank’s assessment areas include:

- UCB made or held 41 targeted mortgage-backed securities totaling \$29.6 million collateralized by mortgages to low- or moderate-income borrowers; more than half of these mortgages were located inside the bank’s designated assessment areas. These securities promote affordable housing on a statewide basis and therefore, are considered under the Community Development Test for this evaluation.
- Between 2016 and 2018, the bank purchased 36 bonds for a total of \$12.9 million from five different school districts in the assessment areas. Each district had over half of their students on the free or reduced lunch program and serve a majority of low- and moderate-individuals.

Of the institution’s 130 qualified investments, 32 securities totaling \$15.1 million were made to benefit a broader statewide area that includes the bank’s assessment areas. While none of these investments directly benefits any of the bank’s assessment areas, they are still considered under the

Investment Test because UCB demonstrated good responsiveness to credit and community economic development needs within its assessment areas.

The following tables illustrate UCB’s qualified investment activity by year and purpose and assessment area. Further discussion of the bank’s qualified investments is located in the separate assessment area sections of this evaluation.

Qualified Investments – Overall										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	31	15,683	13	4,555	-	-	-	-	44	20,238
2/19/2019 – 12/31/2019	2	408	13	2,940	3	1,500	-	-	18	4,848
2020	-	-	4	2,880	4	1,050	-	-	8	3,930
2021	8	13,480	19	7,060	1	260	-	-	28	20,800
Broader Statewide Regional Area	7	2,170	13	6,442	6	3,330	6	3,119	32	15,061
Total	48	31,741	62	23,877	14	6,140	6	3,119	130	64,877
Qualified Grants & Donations	1	<1	731	501	29	39	17	143	774	682
Total	49	31,741	793	24,378	43	6,179	23	3,262	904	65,559

Source: Bank Records

Qualified Investments by Assessment Area										
Assessment Area (AA)	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Springfield, IL MSA AA	24	15,542	6	2,345	2	1,565	-	-	32	19,452
Illinois Non-MSA AA	-	-	31	10,545	6	1,245	-	-	37	11,790
St. Louis, MO-IL MSA AA	16	13,484	10	3,185	-	-	-	-	26	16,669
Bloomington IL MSA AA	1	545	-	-	-	-	-	-	1	545
Missouri Non-MSA AA	0	0	2	1,360	0	0	0	0	2	1,360
Broader Statewide Regional Area	7	2,170	13	6,442	6	3,330	6	3,119	32	15,061
Total	48	31,741	62	23,877	14	6,140	6	3,119	130	64,877
Qualified Grants & Donations	1	<1	731	501	29	39	17	143	774	682
Total	49	31,741	793	24,378	43	6,179	23	3,262	904	65,559

Source: Bank Records

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community economic development needs. The bank has made donations, which support qualified community services, affordable housing, and economic development. In addition, the bank purchased qualified investments supporting

affordable housing, community services, economic development, and stabilization efforts in its assessment area. These donations and investments support the identified community development needs in the bank's assessment area.

Community Development Initiatives

The institution makes a relatively significant use of complex investments to support community development initiatives. The bank invested funds supporting affordable housing in mortgage-backed securities with a primary purpose of funding LMI borrowers within its assessment area. These investments provide affordable housing for residents and improve neighborhood stability.

SERVICE TEST

The Service Test is rated High Satisfactory. This conclusion was determined by evaluating the accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting assessment area needs, and community development services. For this performance test, more weight is afforded the community development services criterion.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's assessment area. Due to a merger, UCB now operates 44 branches and 57 ATMs in its assessment area. UCB has no branches or ATMs in low-income census tracts; however, it operates seven branches and eight ATMs in moderate-income census tracts.

The bank offers the traditional variety of alternative delivery systems that increase the availability of its loan and deposit products outside of its traditional branch facilities. Most of these delivery systems use technology to provide customers with 24-hour access to their accounts and the bank's product information. These delivery systems are available in the assessment area, including low- and moderate-income census tracts.

The bank maintains an Internet site at www.ucbbank.com to service its consumer and commercial loan customers. The site gives consumers 24-hour access to the bank's deposit and loan offerings. In addition, this secure site gives customers the ability to conduct various transactions through the online banking system.

The following table shows the breakdown of the bank's branch and ATM locations by income level off census tract within the overall assessment area.

Branch and ATM Distribution by Geography Income Level								
UCB – Overall Assessment Area								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	13	8.4	39,263	7.0	0	0.0	0	0.0
Moderate	30	19.5	88,012	15.7	7	15.0	10	15.7
Middle	90	58.4	330,274	59.1	32	72.5	39	70.6
Upper	21	13.6	101,643	18.2	5	12.5	8	13.7
Totals	154	100.0	559,192	100.0	44	100%	57	100%
<i>Sources: 2015 ACS Data & Bank Data</i>								

Changes in Branch Locations

To the extent that changes have been made, the institution’s opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to individuals. The bank acquired six branches from the merger in 2019. Two of these branches were closed since the merger, both of which were located in middle-income census tracts.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Community Development Services

UCB provides a relatively high level of community development services. During the current evaluation period, bank employees provided 779 instances of financial expertise or technical assistance to more than 70 different community development organizations throughout the bank’s assessment areas. This is an increase since the last evaluation in which bank employees provided 484 instances of financial expertise or technical assistance to more than 60 different community development organizations. The increase in qualified community development services is partially attributed to the bank’s growth and larger assessment area in Illinois Non-MSA that allows the bank to reach more qualified organizations.

UCB’s level of community development services also compares favorably to four other institutions that have been evaluated under Large Bank Examination Procedures for CRA purposes during the current evaluation period. Specifically, the four other institutions had community development services ranging from 146 to 663. The following tables illustrate the bank’s community development services by year and purpose and by assessment area.

Community Development Services – Overall					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019	1	142	15	2	160
2020	3	125	14	3	145
2021	20	368	67	19	474
Total	24	635	96	24	779
<i>Source: Bank Records</i>					

Community Development Services by Assessment Area					
Assessment Area (AA)	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Springfield, IL MSA	0	158	2	0	160
Illinois Non-MSA	24	288	62	12	386
St Louis, MO-IL MSA	0	52	22	11	85
Bloomington MSA	0	0	0	0	0
Missouri Non-MSA	0	137	10	1	148
Total	24	635	96	24	779
<i>Source: Bank Records</i>					

Some of the notable community development services include:

- Over 200 hours donated as President of local Habitat for Humanity providing financial expertise and day-to-day financial management for new builds, new applicant participation and financial counseling to participants in the program.
- Over 200 hours contributed as Vice President and Board member of public schools in which more than 50 percent of the students are eligible for reduced lunches.
- Over 250 hours serving on the financial committee of a local school.

In addition to the services reflected in the above tables, UCB’s wholly-owned mortgage lending subsidiary, BancMac, maintains agreements with nearly 70 correspondent banks or third party

originators (TPOs) throughout Illinois, Indiana, Iowa, Nebraska, and Missouri for the purchase of conventional, Veterans Administration, U.S. Department of Agricultural Rural Housing, and Federal Housing Administration mortgage loans.

Most of these institutions are smaller community banks that do not have the technical expertise or resources to offer longer-term or special program mortgage loans. Thus, BancMac provides important technical assistance and other services to these banks that allow them to offer affordable housing and low down payment mortgage loans in their communities. BancMac's technical assistance to the smaller community banks in providing affordable housing loan programs is positively considered as community development services.

Further discussion of the bank's community development services can be found in the separate assessment area sections of this evaluation.

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. Therefore, this consideration did not affect the institution's overall CRA rating.

STATE OF ILLINOIS

CRA RATING FOR ILLINOIS: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN ILLINOIS

As discussed under the Description of Institution's Operations section above, UCB has designated four assessment areas in the State of Illinois. The bank operates 15 branches in the Springfield MSA, 19 branches in the Illinois Non-MSA, eight branches in the St. Louis, MO-IL MSA, and one branch in the Bloomington MSA. Further discussion of UCB's operations in each assessment area is located in the separate sections of this evaluation.

SCOPE OF EVALUATION – STATE OF ILLINOIS

The rating for the State of Illinois is based upon full-scope reviews of the bank's performance in the Springfield, IL MSA, Illinois Non-MSA and the St. Louis, MO-IL MSA assessment areas and a limited-scope evaluation in the Bloomington, IL MSA. The Springfield, IL MSA assessment area was chosen for a full-scope review, as this is the assessment area where the majority of the bank's deposits and the second most branches exist. The Illinois Non-MSA assessment area was also chosen for a full-scope review as this assessment area contains the most branches and the second most deposits. These two assessment areas combined to contain over 79 percent of the bank's deposits resulting in these two assessment areas receiving the most weight in the overall evaluation.

The bank's lending performance was evaluated based upon a review of all home mortgages, small business and small farms loans for 2020 and 2021, while the bank's community development activities for loans, investments, and services were reviewed from the prior evaluation dated February 19, 2019, through the current examination of May 2, 2022.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS

LENDING TEST

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. This conclusion was consistent with performance in the Springfield MSA, Illinois Non-MSA, and St. Louis, Missouri-Illinois assessment areas.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment areas. This conclusion was consistent with performance in all assessment areas within the State of Illinois.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and small business and small farm customers of different sizes. This conclusion was consistent with performance in all assessment areas within the State of Illinois.

Innovative or Flexible Lending Practices

The institution uses innovative or flexible lending practices in order to serve the assessment area needs. This conclusion was consistent in all assessment areas within the State of Illinois.

Community Development Loans

UCB made a relatively high level of community development loans in the Illinois assessment areas. This conclusion is supported by the performance in the Springfield MSA, Illinois Non-MSA, and St. Louis, Missouri-Illinois MSA. Please refer to the individual sections for details on each assessment area.

INVESTMENT TEST

Investment and Grant Activity

The institution has a significant level of qualified community development investments and grants, although rarely in a leadership position. The State of Illinois assessment areas represent approximately 97 percent of all qualified investment and donations made inside the bank's assessment areas. Total investments and donations of over \$64 million are within the State of Illinois.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to the credit and community economic development needs. Investments and donations were made primarily to support community services for low- and moderate-income individuals.

Community Development Initiatives

The bank makes significant use of innovative or complex investments to support community development initiatives through the purchase of targeted mortgage-backed securities that promote affordable housing.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all portions of the institution's Illinois assessment areas. In addition to the main office, UCB currently maintains 43 branches in the assessment areas within the State of Illinois. The bank does not have any branches in low-income tracts, but has nine branches in moderate-income tracts. In addition to 50 ATMs, the bank offers other alternative delivery systems such as telephone banking, mobile banking, and online banking.

Changes in Branch Locations

To the extent that changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income census tracts or individuals. Six branches were acquired in the Illinois assessment area since the prior evaluation, all of which were in the Illinois Non-MSA assessment area. Two of these branches were closed, both of which, were located in middle-income tracts. This did not have an adverse effect on the bank's ability to service low- and moderate-income areas.

Reasonableness of Business Hours and Services

Services, (including business hours) do not vary in a way that inconveniences certain portions of the Illinois assessment areas, particularly low- and moderate-income geographies and individuals. The same services and products are available at branches throughout the assessment areas. Most branches have drive-up services, 24-hour ATMs, and Saturday business hours. Branch hours are convenient and comparable to other financial institutions.

Community Development Services

UCB provides a relatively high level of community development services. This conclusion is based on available opportunities and considers the bank's presence in the assessment areas. The qualified services in the State of Illinois represent 81 percent of the bank's total activities. The bank provided 631 community development services since the previous evaluation.

SPRINGFIELD, ILLINOIS MSA #44100 – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN SPRINGFIELD, ILLINOIS MSA

UCB designated Sangamon County, part of the Springfield, IL MSA as an assessment area. The institution operates 15 full-service branch offices in the Springfield MSA. As of June 30, 2021, this assessment area accounted for 40.3 percent of the bank's total deposits, the largest deposit market share among the bank's assessment areas. This is also the assessment area where the highest number of home mortgage and the second highest number of small business loans were originated

among the assessment areas. Thus, the bank’s performance in this assessment area is heavily weighted in the overall rating.

Economic and Demographic Data

This assessment area encompasses all 53 census tracts in Sangamon County. These tracts reflect the following income designations according to the 2015 ACS Data.

- 11 low-income tracts
- 10 moderate-income tracts
- 21 middle-income tracts
- 11 upper-income tracts

The most populous city in this assessment area is the state capital, the City of Springfield (112,400). The low-income census tracts are mostly located in Springfield encompassing the eastern portions of the downtown area and surrounding neighborhoods, with one of them located northwest of downtown. Moderate-income tracts border the low-income tracts to the northeast of downtown, to the west of downtown, and along the southeastern side of Springfield and includes the communities of Jerome and Southern View. The following table provides a summary of the demographics, housing, and business information within the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Springfield, IL MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	53	20.8	18.9	39.6	20.8	0.0
Population by Geography	199,016	15.9	14.6	40.8	28.7	0.0
Housing Units by Geography	90,433	16.3	16.9	40.0	26.8	0.0
Owner-Occupied Units by Geography	57,654	9.9	13.3	42.2	34.6	0.0
Occupied Rental Units by Geography	25,231	28.6	21.7	36.8	12.8	0.0
Vacant Units by Geography	7,548	24.2	28.7	33.9	13.2	0.0
Businesses by Geography	14,949	16.4	16.8	35.8	31.0	0.0
Farms by Geography	664	6.5	8.1	47.1	38.3	0.0
Family Distribution by Income Level	50,928	22.8	16.2	20.4	40.5	0.0
Household Distribution by Income Level	82,885	25.4	15.7	17.2	41.7	0.0
Median Family Income MSA - 44100 Springfield, IL MSA		\$73,402	Median Housing Value			\$126,507
			Median Gross Rent			\$737
			Families Below Poverty Level			10.8%
<i>Sources: 2015 ACS and 2021 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.</i>						

The Federal Financial Institutions Examination Council (FFIEC) median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Springfield, IL MSA Median Family Income (44100)				
2020 (\$85,200)	<\$42,600	\$42,600 to <\$68,160	\$68,160 to <\$102,240	≥\$102,240
2021 (\$85,500)	<\$42,750	\$42,750 to <\$68,400	\$68,400 to <\$102,600	≥\$102,600
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the Borrower Profile criterion in the Lending Test compares the distribution of businesses and farms by GAR level.

According to 2021 D&B data, there were 14,949 non-farm businesses in the assessment area with the following GAR levels.

- 78.9 percent have \$1 million or less
- 5.3 percent have more than \$1 million
- 15.8 percent have unknown revenues

According to 2021 D&B data, there were 664 farms in the assessment area with the following GAR levels.

- 97.0 percent have \$1 million or less
- 0.9 percent have more than \$1 million
- 2.1 percent have unknown revenues

Service industries represent the largest portion of businesses at 40.7 percent followed by non-classifiable establishments (15.1 percent), retail trade (12.9 percent), and finance, insurance, and real estate (9.5 percent). In addition, 85.8 percent of area businesses have nine or fewer employees, and 83.5 percent operate from a single location. According to the Sangamon County Economic Development Group, the State of Illinois is the largest employer in the assessment area, followed by local hospitals, health clinics, and local school districts.

The following table shows the unemployment rates for the assessment area, the state, and the national average in each of the past three years. These rates show that the economy of the assessment area has been improving towards pre-coronavirus pandemic levels, as have the economies for the state and the nation.

Unemployment Rates			
Area	February 2020	February 2021	February 2022
	%	%	%
Sangamon County	3.3	6.8	4.9
Illinois	3.9	7.3	5.0
National Average	3.5	6.2	3.8
<i>Source: Bureau of Labor Statistics</i>			

Competition

This assessment area has a relatively high level of competition for deposits. According to the FDIC Deposit Market Share data as of June 30, 2021, there were 24 financial institutions that operated 77 full-service branches within the assessment area. Of these institutions, UCB ranked second with a 14.2 percent deposit market share.

There is also a high degree of competition for home mortgage loans in the assessment area. In 2020, 231 lenders reported a total of 11,013 home mortgage loan originations and purchases in Sangamon County. UCB ranked first out of this group of lenders with a market share of 13.9 percent.

Similarly, there is a relatively high level of competition for small business loans in the assessment area. In 2020, 82 lenders reported a total of 2,697 small business loans and purchases in the assessment area. UCB ranked first out of this group of lenders with a market share of 24.7 percent.

There is a low level of competition for small farm loans in the assessment area. In 2020, 12 lenders reported a total of 133 small farm loans. UCB ranked first out of this group of lenders with a market share of 36.8 percent.

Community Contact(s)

One recently conducted community contact was reviewed for this assessment area. The contact identified changes to the local economy from a continued declining population and state employment in the area. The contact noted recent changes in the housing market related to high demand from fewer homes on the market, which has had an impact on lenders and title companies. The need for new affordable housing and home improvement of the current housing stock was identified. The contact noted that all lenders in the area seem to place a focus on getting low- and moderate-income borrowers financed for home mortgage loans.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that residential mortgage loans and small business loans continue to represent the primary credit needs in the area. The percentage of low- and moderate-income families and geographies and the high volume of businesses with GARs of \$1 million or less support this conclusion.

CONCLUSIONS ON PERFORMANCE CRITERIA IN SPRINGFIELD, ILLINOIS MSA

LENDING TEST

The bank's lending performance reflects good responsiveness to the credit needs in the Springfield MSA. This conclusion was determined by evaluating the bank's lending activity, geographic distribution of loans, borrowers' profile, community development lending, and innovative or flexible lending practices.

Lending Activity

Lending levels reflect excellent responsiveness to assessment area credit needs within the Springfield MSA. This conclusion is supported by the bank's high volume of home mortgage, small business, and small farm lending within the MSA during the current evaluation period.

In 2020, UCB originated 1,533 home mortgage loans totaling \$246.2 million in the Springfield MSA. This volume of lending represented the highest market share, by number of loans, among 231 lenders that made home mortgage loans in the MSA during the year.

For small business lending, UCB extended 667 loans totaling \$58.1 million in the Springfield MSA in 2020. This volume of lending represented the highest market share, by both number of loans and dollar volume, among 82 lenders that reported small business data. Additionally, the bank originated the most small farm loans in the assessment area and held the highest market share among small farm reporters.

Geographic Distribution

The geographic distribution of home mortgage, small business, and small farm loans reflects adequate penetration throughout the assessment area. For this criterion, examiners focused on the percentage by number of loans in low- and moderate- income census tracts. This analysis only presents loans originated inside the assessment area.

Home Mortgage Loans

UCB has demonstrated adequate penetration of home mortgage lending throughout this assessment area in both 2020 and 2021. Examiners compared the bank's performance to HMDA aggregate data and to the percentage of owner-occupied housing units by tract income category. As shown in the following table, the bank's lending in low-income tracts was slightly below the aggregate data in 2020 and below the demographic data in both 2020 and 2021. However, in 2020, the bank held the fifth highest market share (4.9 percent) out of 50 lenders in lending in these tracts. Similarly, the bank's lending in moderate-income tracts was below both the aggregate data and demographic data in 2020 and slightly below the demographic data in 2021. UCB held the third highest market share (8.6 percent) of 74 lenders in lending in these tracts in 2020. This demonstrates the bank's willingness to lend throughout this assessment area and demonstrates adequate performance given the high competition in the area.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Springfield, IL MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	9.9	3.7	20	1.3	990	0.4
2021	9.9	--	19	2.4	1,335	1.2
Moderate						
2020	13.3	9.5	90	5.9	7,940	3.2
2021	13.3	--	80	10.3	6,177	5.3
Middle						
2020	42.2	40.0	649	42.3	85,825	34.9
2021	42.2	--	352	45.3	41,630	35.9
Upper						
2020	34.6	46.8	774	50.5	151,490	61.5
2021	34.6	--	326	42.0	66,812	57.6
Totals						
2020	100.0	100.0	1,533	100.0	246,245	100.0
2021	100.0	--	777	100.0	115,954	100.0

*Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Small Business Loans

UCB exhibited adequate penetration throughout its assessment area for small business loans. Examiners compared the bank's small business lending to the distribution of businesses by tract income level throughout the assessment area and to the aggregate performance in 2020. As shown in the following table, the bank's small business lending in low-income tracts was below the percentage of businesses in these tracts in both 2020 and 2021 and below the aggregate data in 2020. However, the assessment area is highly competitive for small business lending and the bank does not operate a branch in any of the low-income tracts. The financial institutions with the majority of the market share of small business loans in low-income tracts operate branches within these tracts or within closer proximity than UCB. The bank's lending to small businesses in moderate-income tracts was comparable to aggregate performance in 2020 and comparable to the percentage of businesses in 2021. As mentioned previously, the bank is the lead lender in small business loans in this assessment area and demonstrates a willingness to lend throughout the county.

Geographic Distribution of Small Business Loans						
Assessment Area: Springfield, IL MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	15.0	13.7	60	9.0	7,420	13.1
2021	16.4	--	36	8.2	4,132	9.9
Moderate						
2020	17.3	15.7	88	13.3	7,306	12.9
2021	16.8	--	65	14.8	5,941	14.3
Middle						
2020	37.1	37.5	310	46.7	24,988	44.0
2021	35.8	--	182	41.6	17,713	42.6
Upper						
2020	30.6	33.1	206	31.0	17,084	30.1
2021	31.0	--	155	35.4	13,776	33.1
Totals						
2020	100.0	100.0	664	100.0	56,798	100.0
2021	100.0	--	438	100.0	41,562	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

UCB exhibited adequate penetration throughout this assessment area for small farm loans in 2020 and 2021. Examiners compared the bank's small farm lending to the distribution of farms by tract income level throughout the assessment area and to the aggregate performance in 2020. As indicated in the following table, there very few farms located in low- and moderate-income tracts in the assessment area. Consequently, the bank's small farm lending is heavily concentrated in middle- and upper-income geographies of the assessment area. This distribution of lending is adequate when considering the lack of lending opportunities in low- and moderate-income geographies.

Geographic Distribution of Small Farm Loans						
Assessment Area: Springfield, IL MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	6.6	0.8	0	0.0	0	0.0
2021	6.5	--	0	0.0	0	0.0
Moderate						
2020	7.9	1.5	1	2.0	400	4.8
2021	8.1	--	2	2.0	528	4.0
Middle						
2020	48.7	63.2	43	87.8	7,376	89.2
2021	47.1	--	87	87.0	11,352	85.8
Upper						
2020	36.8	34.6	5	10.2	496	6.0
2021	38.3	--	11	11.0	1,344	10.2
Totals						
2020	100.0	100.0	49	100.0	8,272	100.0
2021	100.0	--	100	100.0	13,224	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different incomes and excellent distribution of businesses and farms of different sizes. Examiners focused on the percentage by number of small business loans to businesses and farms with GARs of \$1 million or less, as well as the percentage by number of home mortgage loans to low- and moderate- income borrowers. This analysis only presents loans originated inside the assessment area.

Home Mortgage Loans

UCB reflects adequate penetration among borrowers of different incomes in its home mortgage lending in 2020 and 2021. Examiners compared the bank's performance to both aggregate and demographic data. For performance context, it should be noted that 10.8 percent of assessment area families had income below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. The bank's lending to low-income borrowers was comparable to aggregate performance in 2020 and to demographic data in both 2020 and 2021 when comparing to the percent of families that can reasonably be expected to afford a home mortgage loan. Additionally, the bank's lending to moderate-income borrowers was comparable to both aggregate and demographic data in 2020 and exceeded demographic data in 2021.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Springfield, IL MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	22.8	8.8	122	8.0	9,920	4.0
2021	22.8	--	84	10.8	6,371	5.5
Moderate						
2020	16.2	17.9	274	17.9	29,820	12.1
2021	16.2	--	192	24.7	21,135	18.2
Middle						
2020	20.4	21.3	346	22.6	46,590	18.9
2021	20.4	--	156	20.1	21,169	18.3
Upper						
2020	40.5	36.6	751	49.0	153,915	62.5
2021	40.5	--	315	40.5	64,218	55.4
Not Available						
2020	0.0	15.4	40	2.6	6,000	2.4
2021	0.0	--	30	3.9	3,062	2.6
Totals						
2020	100.0	100.0	1,533	100.0	246,245	100.0
2021	100.0	--	777	100.0	115,953	100.0
<i>Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

UCB exhibited excellent penetration to business customers of different sizes in both 2020 and 2021. As shown in the following table, the bank's percentage of small business loans originated to businesses with \$1 million or less in gross annual revenues far exceeded the aggregate performance in 2020. The bank held the highest market share (36.9 percent) in lending to businesses of this size in 2020, with more than double the amount of loans than the next highest lender. Small business lending in 2020 outpaced 2021 lending partially due to the bank's participation in PPP loans administered by the SBA. Additionally, the bank's lending to small businesses with gross annual revenues of \$1 million or less was comparable to the percentage of small businesses in both 2020 and 2021. This demonstrates a willingness to lend to businesses of different sizes throughout the bank's assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Springfield, IL MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	78.2	51.3	508	76.5	29,026	51.1
2021	78.9	--	352	80.4	23,007	55.4
>\$1,000,000						
2020	6.0	--	134	20.2	26,490	46.6
2021	5.3	--	86	19.6	18,555	44.6
Revenue Not Available						
2020	15.8	--	22	3.3	1,282	2.3
2021	15.8	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	664	100.0	56,798	100.0
2021	100.0	--	438	100.0	41,562	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

UCB exhibited excellent penetration to farm customers of different sizes in both 2020 and 2021. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data. While farm demographic data is presented in the following table as a comparable factor, such data consists of all farms that exist within the assessment area, including those that may not be seeking traditional financing. Thus, aggregate data is considered the better comparison factor as it more accurately represents demand and the level of opportunities to originate loans to small farms. As shown in the following table, the bank originated 65.3 percent of its small farm loans to farms with GARs of \$1 million or less, which exceeds the aggregate performance of 51.9 percent. UCB ranked first with a market share of 46.4 percent in lending to farms of this size in 2020, with more than double the amount of loans as the next highest lender. Additionally, the bank's lending to farms with GARs of \$1 million or less increased 75 percent from 2020 to 2021. This represents a willingness to lend to farms of different sizes throughout this assessment area.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Springfield, IL MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	96.3	51.9	32	65.3	4,583	55.4
2021	97.0	--	56	56.0	5,446	41.2
>\$1,000,000						
2020	1.3	--	17	34.7	3,689	44.6
2021	0.9	--	43	43.0	7,502	56.7
Revenue Not Available						
2020	2.4	--	0	0.0	0	0.0
2021	2.1	--	1	1.0	276	2.1
Totals						
2020	100.0	100.0	49	100.0	8,272	100.0
2021	100.0	--	100	100.0	13,224	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs. The following table shows the bank made 436 flexible loans totaling \$41.3 million in this assessment area during the current evaluation period. The majority of these loans were made through Fannie Mae's HomeReady program. This program offers a variety of fixed- and variable-rate mortgage loans through this program with maturities of up to 30 years with low down payment options. The HomeReady program is designed for creditworthy low- to moderate-income borrowers, with expanded eligibility for financing homes in low-income communities.

Innovative or Flexible Lending Programs – Springfield MSA										
Type of Program	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Federal Housing Administration	8	908	5	520	10	1,381	-	-	23	2,809
Fannie Mae HomeReady	42	4,174	46	5,072	76	7,969	2	141	166	17,356
Fannie Mae Community Seconds	21	1,673	20	1,712	22	1,742	1	69	64	5,196
Fannie Mae RefiNow	-	-	-	-	4	393	-	-	4	393
Veterans Administration	16	2,438	13	2,370	9	2,277	1	330	39	7,415
USDA Guaranteed Rural Housing	8	668	23	2,527	18	2,139	-	-	49	5,334
FarmerMac	-	-	1	594	-	-	-	-	1	594
FHLB Down Payment Plus Grant	24	144	26	152	25	145	2	12	77	453
Small Business Administration	3	219	4	624	5	808	1	58	13	1,709
UCB Credit Builder	-	-	-	-	-	-	-	-	0	0
Totals	122	10,224	138	13,571	169	16,854	7	610	436	41,259
<i>Source: Bank Records</i>										

Community Development Loans

UCB made a relatively high level of community development loans in the Springfield, IL MSA. The following table shows the 102 community development loans totaling \$51.2 million that were originated in the Springfield, IL MSA during the current evaluation period. As a point of comparison, at the previous evaluation, UCB made 121 CD loans totaling \$37.2 million in this assessment area. Although UCB has made a slightly less number of CD loans by number, there has been a notable increase by dollar volume from the last evaluation period.

Community Development Lending – Springfield, IL MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019	23	2,729	4	17,415	-	-	-	-	27	20,144
2020	32	4,660	3	6,920	3	3,964	2	3,486	40	19,030
2021	30	1,540	3	467	1	1	1	10,000	35	12,008
Total	85	8,929	10	24,802	4	3,965	3	13,486	102	51,182

Source: Bank Records

Below are notable examples of the bank’s community development loans in the assessment area:

- A \$10 million line of credit was originated to a local community service business located in a moderate-income tract. The business will serve its local community, as well as provide numerous jobs for moderate-income individuals in the area.
- A \$1.2 million loan was renewed that financed the purchase of an 8-unit apartment in Springfield, IL. All units are leased at rates that are affordable to low- and moderate-income individuals and promotes affordable housing, which is a primary need identified by community contacts.
- The bank renewed a \$5 million line of credit to a local school district in which a majority of the students are eligible for free or reduced cost lunches. This loan enabled the school district to meet financial obligations.

INVESTMENT TEST

UCB exhibited high satisfactory performance under the Investment Test as it reflects good responsiveness to credit and community development needs in the Springfield, IL MSA. This conclusion was determined by evaluating the investment and grant activity, its responsiveness to credit and community development needs, and use of innovative and complex investments to support community development initiatives. For this performance test, more weight is given to the investment and grant activity criterion.

Investment and Grant Activity

UCB made or held 32 qualified investments totaling 19.5 million and 158 qualified donations totaling \$221,000. This is similar to the last evaluation where the bank made or held 34 qualified investments. Qualified investments and donations supported affordable housing, community service and economic development organizations primarily benefiting low- and moderate-income individuals and areas.

Qualified Investments – Springfield, IL MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	21	11,164	-	-	-	-	-	-	21	11,164
2/19/2019 – 12/31/2019	-	-	4	825	1	1,050	-	-	5	1,875
2020	-	-	2	1,520	1	515	-	-	3	2,035
2021	3	4,378	-	-	-	-	-	-	3	4,378
Total	24	15,542	6	2,345	2	1,565	0	0	32	19,452
Qualified Grants & Donations	-	-	158	221	-	-	-	-	158	221
Total	24	15,542	164	2,566	2	1,564	0	0	190	19,673

Source: Bank Records

Below are notable examples of community development investments made by the bank in the Springfield, IL MSA assessment area during the current review period:

- During the current review period, UCB purchased three targeted mortgage-backed securities totaling \$4.4 million that were collateralized by mortgages from low- and moderate-income borrowers from within the Springfield, IL MSA. These investments promote affordable housing throughout the assessment area.
- UCB purchased six general obligation bonds from a school district within the Springfield, IL MSA assessment area for \$2.3 million. These bonds finance various improvements to existing school buildings and construct new buildings on campus. More than 50 percent of the students in this school district are low- and moderate-income.
- UCB made 158 grants or donations totaling \$221,000 to organizations throughout the Springfield, IL MSA assessment area during this evaluation period. This is an increase from the \$76,000 donated during the last evaluation.

Overall, UCB has a significant level of qualified community investments and donations. The substantial dollar volume of qualified investments promoted affordable housing, which is the prevalent need in the area as identified by community contacts. Additionally, the bank has been responsive to various community organizations that provide essential services to low- and moderate-income individuals in the assessment area.

Responsiveness to Credit and Community Development Needs

The institution exhibits good responsiveness to credit and community economic development needs. The bank has made donations that support qualified community services of the area and purchased qualified investments supporting affordable housing, community services, and economic development in its assessment area. These donations and investments support the needs in the bank's assessment area.

Community Development Initiatives

The institution uses complex investments to support community development initiatives. The bank invested funds supporting affordable housing in mortgage-backed securities with a primary purpose of funding low- and moderate-income borrowers within its assessment area. These investments provide affordable housing for residents and improve neighborhood stability.

SERVICE TEST

The service test is rated High Satisfactory. This conclusion was determined by evaluating the accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting assessment area needs, and community development services. For this performance test, more weight is afforded the community development services criterion.

Accessibility of Delivery Systems

The bank's delivery systems are accessible to essentially all portions of the institution's assessment area. The bank operates 15 full-service branch offices and 19 ATMs in this assessment area.

Changes in Branch Locations

To the extent changes have been made, the institution's opening or closing of branches has not affected the accessibility of its delivery systems. No branches were closed since the prior examination in this assessment area.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Community Development Services

UCB provides a relatively high level of community development services by providing 160 community development services to more than 40 organizations in the Springfield, IL MSA assessment area during the current review period. Qualified services supported organizations that provide essential community development services to low- and moderate-income individuals and

supported economic development. Additionally, UCB operates two full-service branch offices and three 24-hour ATMs in moderate-income census tracts in the City of Springfield.

As a point of comparison, at the previous evaluation, UCB provided 292 community development services to more than 50 organizations within this assessment area. The decrease in the number of community development services is attributed to limited opportunities during the COVID19 pandemic and organizations shut down or closed to the public for an allotment of time during the review period.

Community Development Services – Springfield, IL MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019	0	85	0	0	85
2020	0	17	2	0	19
2021	0	56	0	0	56
Total	0	158	2	0	160
<i>Source: Bank Records</i>					

Notable examples of community development services provided during the current review period are listed below:

- Food Pantries – Bank employees serve on multiple food pantries throughout Sangamon County providing financial expertise as bookkeepers, board members and treasurers. These non-profit organizations provide food to individuals and families with very low incomes.
- Chamber of Commerce – A bank director and employee of UCB serve on the Board of Directors and committees of a local Chamber of Commerce, which promotes economic development throughout the assessment area. This Chamber has a separate economic development and workforce committee, which promotes the local area to new and existing businesses.
- Financial Literacy Classes – Bank employees provide financial literacy education utilizing resources such as FDIC Money Smart materials to children at various elementary schools, community colleges, and other non-profit forums throughout the Springfield assessment area.

ILLINOIS NON-MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ILLINOIS NON-MSA

UCB designated eight counties that make up the Illinois Non-MSA assessment area. This assessment areas consist of whole geographies, do not arbitrarily exclude low- and moderate-

income areas, and includes all of the geographies where the bank's offices and deposit-taking ATMs are located. Since the prior evaluation, the bank added the entire Adams County to this assessment area.

UCB operates 19 full-service branch offices in the Non-MSA. As of June 30, 2021, this assessment area accounted for 38.8 percent of the bank's total deposits, the second largest deposit market share among its assessment areas. This assessment area has the highest number of small business loans and the second highest home mortgage loan originations among the assessment areas. Thus, the bank's performance in this assessment area is heavily weighted in the overall rating.

Economic and Demographic Data

This assessment area includes 54 census tracts, which includes all tracts in Greene, Scott, Pike, McDonough, Adams, Brown, and Hancock Counties, and a portion of Logan County. These tracts reflect the following income designations according to the 2015 ACS Census.

- 1 low-income tracts
- 9 moderate-income tracts
- 36 middle-income tracts
- 8 upper-income tracts

The sole middle-income tract in Brown County was designated as underserved throughout the review period due to the area being remote and rural. Additionally, all four middle-income tracts in McDonough County were designated as distressed throughout the review period due to high poverty levels.

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Illinois Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	54	1.9	16.7	66.7	14.8	0.0
Population by Geography	181,881	1.4	12.9	65.5	20.2	0.0
Housing Units by Geography	80,972	0.2	14.3	67.9	17.6	0.0
Owner-Occupied Units by Geography	50,239	0.0	10.5	72.7	16.8	0.0
Occupied Rental Units by Geography	20,574	0.3	22.1	59.2	18.4	0.0
Vacant Units by Geography	10,159	1.1	17.3	62.3	19.4	0.0
Businesses by Geography	10,709	0.2	15.7	66.7	17.3	0.0
Farms by Geography	1,339	0.0	3.1	82.3	14.6	0.0
Family Distribution by Income Level	44,842	20.2	18.5	21.7	39.7	0.0
Household Distribution by Income Level	70,813	25.3	16.7	17.7	40.3	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$95,906
			Median Gross Rent			\$596
			Families Below Poverty Level			10.8%
<i>Sources: 2015 ACS and 2021 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.</i>						

The FFIEC median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
IL NA Median Family Income (99999)				
2020 (\$65,800)	<\$32,900	\$32,900 to <\$52,640	\$52,640 to <\$78,960	≥\$78,960
2021 (\$66,700)	<\$33,350	\$33,350 to <\$53,360	\$53,360 to <\$80,040	≥\$80,040
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the Borrower Profile criterion in the Lending Test compares the distribution of businesses and farms by GAR level.

According to 2021 D&B data, there were 10,709 non-farm businesses in the assessment area with the following GAR levels.

- 77.8 percent have \$1 million or less

- 5.2 percent have more than \$1 million
- 17.1 percent have unknown revenues

According to 2021 D&B data, there were 1,339 farms in the assessment area with the following GAR levels.

- 97.9 percent have \$1 million or less
- 1.0 percent have more than \$1 million
- 1.1 percent have unknown revenues

Service industries represent the largest portion of businesses at 34.2 percent followed by retail trade (12.9 percent), non-classifiable establishments (12.2 percent), and agriculture, forestry, and fishing (11.1 percent). In addition, 87.6 percent of area businesses have nine or fewer employees, and 84.5 percent operate from a single location. According to local economic development organizations in the assessment area, the largest employers in the area are a local hospital, Western Illinois University, and local manufacturing companies.

The following table shows the unemployment rates for each county, the state, and the national average in each year of the review period. These rates show that the economy of this assessment area has been improving towards pre-coronavirus pandemic levels, as have the economies for the state and the nation.

Unemployment Rates			
Area	February 2020	February 2021	February 2022
	%	%	%
Greene	3.5	5.9	4.5
Scott	4.9	7.3	6.6
Pike	4.2	5.3	5.0
McDonough	3.3	6.0	4.2
Adams	2.8	5.0	3.5
Brown	1.9	2.9	2.2
Logan	3.5	5.9	4.4
Hancock	4.3	6.1	4.4
Illinois	3.9	7.3	5.0
National Average	3.5	6.2	3.8
<i>Source: Bureau of Labor Statistics</i>			

Competition

This assessment area has a high level of competition for deposits. According to the FDIC Deposit Market Share data as of June 30, 2021, there were 48 financial institutions that operated 117 full-service branches within the assessment area. Of these institutions, UCB ranked first with a 19.2 percent deposit market share.

There is also a high degree of competition for home mortgage loans in the assessment area. In 2020, 208 lenders reported a total of 4,112 home mortgage loan originations and purchases throughout the assessment area. UCB ranked first out of this group of lenders with a market share of 22.9 percent.

Similarly, there is a relatively high level of competition for small business loans in the assessment area. In 2020, 77 lenders reported a total of 2,452 small business loans and purchases in the assessment area. UCB ranked first out of this group of lenders with a market share of 44.7 percent.

There is a moderate level of competition for small farm loans in the assessment area. In 2020, 22 lenders reported a total of 1,157 small farm loans. UCB ranked first out of this group of lenders with a market share of 58.6 percent.

Community Contact(s)

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs. It also identifies potential credit and community development opportunities. Examiners reached out to one community contact, in this assessment area, primarily engaged in economic development.

The contact stated that the assessment area's economy is healthy and stable. The pandemic mostly affected small businesses and restaurants but the community raised funds through the United Way to provide grants to those businesses to help them survive. Despite the pandemic, many new small businesses opened over the past year. According to the contact, employment rates are high and available jobs exceed the supply of labor. The organization has collaborated with local education institutions to provide enhanced training to improve the quality of the local labor force. The supply of rental apartments is good but construction of new affordable housing is very limited. Overall, the contact stated that local financial institutions are meeting the credit needs of the area.

Credit and Community Development Needs and Opportunities

Opportunities for community development lending, investments, and services are available within the assessment area. This conclusion is based upon an analysis of demographic and economic information, and community contact information. Specifically, the assessment area maintains reasonable concentrations of low- and moderate-income families at 38.7 percent. Furthermore, according to the most recent D&B data, 77.8 percent of the non-farm businesses in the assessment area reported gross annual revenues of \$1 million or less. There are also non-profit agencies in the area, which provide essential services to low- and moderate-income individuals. Thus, this data suggests that there are opportunities for banks to make affordable housing and small business loans and participate in community development activities within the assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ILLINOIS NON-MSA

LENDING TEST

The bank's lending performance reflects good responsiveness to the credit needs in the Illinois Non-MSA. This conclusion was determined by evaluating the bank's lending activity, geographic distribution of loans, borrowers' profile, innovative or flexible lending practices and community development lending.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs within the Non-MSA. This conclusion is supported by the bank's good volume of home mortgage, small business, and small farm lending within this assessment area during the current evaluation period.

In 2020, UCB originated 940 home mortgage loans totaling \$108.5 million in the Illinois Non-MSA. This volume of lending represented the highest market share, by both number of loans and dollar volume, among 208 lenders that made home mortgage loans in the Non-MSA during the year.

For small business lending, 1,097 loans at \$76.4 million were extended by UCB in 2020 in the Non-MSA. From 77 lenders, UCB ranked first out of this group of lenders that reported small business loan data during the year with 44.7 percent of the market share. The bank extended 678 small farm loans at \$79.3 million in 2020 and also ranked first out of 22 lenders that reported small farm loan data during the year with 58.6 percent of the market share.

Geographic Distribution

The geographic distribution of home mortgage, small business, and small farm loans reflects adequate penetration throughout the assessment area. For this criterion, examiners focused on the percentage by number of loans in low- and moderate- income census tracts. This analysis presents only loans originated inside the assessment area.

Home Mortgage Loans

UCB has demonstrated adequate penetration of home mortgage lending throughout its assessment area in both 2020 and 2021. Examiners compared the bank's performance to HMDA aggregate data and to the percentage of owner-occupied housing units by tract income category. As shown in the table below, the bank's lending in moderate-income tracts was comparable to the aggregate data in 2020 and the demographic data in 2021. As mentioned previously, there are five distressed or underserved middle-income tracts in this assessment area. In 2020, UCB originated 41 home mortgage loans in these tracts, the most among HMDA reporters. The next highest institution originated 22 loans in these tracts. This further demonstrates UCB's willingness to lend throughout this assessment area, particularly in moderate-income tracts and distressed and underserved tracts.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Illinois Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2020	10.5	7.9	66	7.0	4,730	4.4
2021	10.5	--	69	10.3	5,634	7.6
Middle						
2020	72.7	72.3	733	78.0	83,895	77.3
2021	72.7	--	492	73.7	53,727	72.5
Upper						
2020	16.8	19.8	141	15.0	19,885	18.3
2021	16.8	--	107	16.0	14,702	19.9
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	940	100.0	108,510	100.0
2021	100.0	--	668	100.0	74,063	100.0
<i>Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

UCB exhibited adequate penetration throughout its assessment area for small business loans in both 2020 and 2021. Examiners compared the bank's small business lending to the distribution of businesses by tract income level throughout the assessment area and aggregate performance in 2020. Although the bank did not originate any small business loans in the sole low-income tract in this assessment area, there are few, if any, businesses in this tract. Therefore, lending in low-income tracts in this assessment area did not factor into examiner conclusions. As shown in the following table, the bank's small business lending in 2020 was comparable to both the aggregate performance data and percentage of businesses in moderate-income tracts. Additionally, small business lending in 2021 is comparable to the percentage of businesses in moderate-income tracts.

Geographic Distribution of Small Business Loans						
Assessment Area: Illinois Non-MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.2	--	0	0.0	0	0.0
Moderate						
2020	15.9	13.6	146	13.3	12,948	16.9
2021	15.7	--	109	13.5	10,683	18.4
Middle						
2020	66.6	71.6	845	77.1	56,329	73.7
2021	66.7	--	612	75.6	42,393	72.9
Upper						
2020	17.5	14.7	105	9.6	7,125	9.3
2021	17.3	--	88	10.9	5,081	8.7
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	1,096	100.0	76,402	100.0
2021	100.0	--	809	100.0	58,157	100.0
<i>Sources: 2020 & 2021 D&B Data, Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The geographic distribution of small farm loans reflects adequate penetration. As indicated in the below table, there are very few farms located in the moderate-income census tracts of the MSA. Consequently, the bank's small farm lending is heavily concentrated in middle- and upper-income geographies of the Non MSA. This distribution of lending is reasonable when considering the lack of lending opportunities in the moderate-income geographies. The following table provides further details of the bank's performance in originating small farm loans in the various income tract segments.

Geographic Distribution of Small Farm Loans						
Assessment Area: Illinois Non-MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2020	2.9	2.1	6	0.9	520	0.7
2021	3.1	--	9	0.8	525	0.7
Middle						
2020	83.6	89.4	627	92.8	73,813	93.5
2021	82.3	--	1,025	91.9	73,387	94.2
Upper						
2020	13.5	8.5	43	6.4	4,580	5.8
2021	14.6	--	81	7.3	3,974	5.1
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	676	100.0	78,913	100.0
2021	100.0	--	1,115	100.0	77,886	100.0

*Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different incomes and excellent distribution of businesses and farms of different sizes. Examiners focused on the percentage by number of small business loans to businesses and farms with GARs of \$1 million or less, as well as the percentage by number of home mortgage loans to low- and moderate- income borrowers. This analysis only presents loans originated inside the assessment area.

Home Mortgage Loans

UCB reflects adequate penetration among borrowers of different incomes in its home mortgage lending in 2020 and 2021. Examiners compared the bank's performance to both aggregate and demographic data. For performance context, it is noted that 10.8 percent of assessment area families had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. The bank's lending to low-income borrowers slightly exceeded aggregate performance in 2020 and was comparable to demographic data in both 2020 and 2021 when comparing to the percent of families that can reasonably be expected to afford a home mortgage loan. Additionally, the bank's lending to moderate-income borrowers slightly exceeded both aggregate and demographic data in 2020 and demographic data in 2021.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Illinois Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	20.2	7.5	86	9.1	5,160	4.8
2021	20.2	--	65	9.7	4,245	5.7
Moderate						
2020	18.5	18.8	212	22.6	18,190	16.8
2021	18.5	--	156	23.4	13,205	17.8
Middle						
2020	21.7	20.9	231	24.6	23,785	21.9
2021	21.7	--	135	20.2	13,665	18.5
Upper						
2020	39.7	35.6	391	41.6	59,845	55.2
2021	39.7	--	270	40.4	37,930	51.2
Not Available						
2020	0.0	17.2	20	2.1	1,530	1.4
2021	0.0	--	42	6.3	5,018	6.8
Totals						
2020	100.0	100.0	940	100.0	108,510	100.0
2021	100.0	--	668	100.0	74,063	100.0
<i>Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

UCB exhibited excellent penetration to business customers of different sizes in both 2020 and 2021. As shown in the following table, the bank's percentage of small business loans originated to businesses with \$1 million or less in gross annual revenues far exceeded the aggregate performance in 2020. The bank held the highest market share (59.4 percent) in lending to businesses of this size in 2020, significantly higher than the next highest lender (7.9 percent). This demonstrates that UCB is the lead lender in this assessment area to small businesses. Small business lending, by number of loans, in 2020 outpaced 2021 lending partially due to the bank's participation in PPP loans administered by the SBA. Additionally, the bank's lending to small businesses with gross annual revenues of \$1 million or less was comparable to the percentage of small businesses in both 2020 and 2021.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Illinois Non-MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	76.5	57.9	837	76.4	26,490	34.7
2021	77.8	--	669	82.7	28,820	49.6
>\$1,000,000						
2020	5.6	--	240	21.9	48,191	63.1
2021	5.2	--	130	16.1	28,576	49.1
Revenue Not Available						
2020	17.9	--	19	1.7	1,721	2.3
2021	17.1	--	10	1.2	761	1.3
Totals						
2020	100.0	100.0	1,096	100.0	76,402	100.0
2021	100.0	--	809	100.0	58,157	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

UCB exhibited excellent penetration to farm customers of different sizes in both 2020 and 2021. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data as it is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small farms. As shown in the following table, the bank originated 92.6 percent of its small farm loans to farms with GARs of \$1 million or less, which far exceeds the aggregate performance of 78.5 percent. UCB ranked first with a market share of 70.3 percent in lending to farms of this size in 2020, demonstrating that the bank is the lead lender to small farms in this assessment area.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Illinois Non-MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	97.9	78.5	626	92.6	67,274	85.3
2021	97.9	--	1,037	93.0	69,402	89.1
>\$1,000,000						
2020	0.9	--	40	5.9	10,492	13.3
2021	1.0	--	75	6.7	8,426	10.8
Revenue Not Available						
2020	1.2	--	10	1.5	1,147	1.5
2021	1.1	--	3	0.3	58	0.1
Totals						
2020	100.0	100.0	676	100.0	78,913	100.0
2021	100.0	--	1,115	100.0	77,886	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs. The following table shows the bank made 625 flexible loans totaling \$60.8 million in this assessment area during the current evaluation period. The majority of these loans were made through Fannie Mae's HomeReady program. This program offers a variety of fixed- and variable-rate mortgage loans through this program with maturities of up to 30 years with low down payment options. The HomeReady program is designed for creditworthy low- to moderate-income borrowers, with expanded eligibility for financing homes in low-income communities.

Innovative or Flexible Lending Programs – Illinois Non-MSA										
Type of Program	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Federal Housing Administration	4	418	7	688	13	1,109	-	-	24	2,215
Fannie Mae HomeReady	73	6,763	61	5,378	94	8,444	11	1,062	239	21,647
Fannie Mae Community Seconds	26	1,921	16	1,409	18	1,532	1	104	61	4,966
Fannie Mae RefiNow	-	-	-	-	1	135	-	-	1	135
Veterans Administration	13	1,533	15	2,211	11	1,759	-	-	39	5,503
USDA Guaranteed Rural Housing	35	2,606	54	4,571	43	3,993	5	507	137	11,677
FarmerMac	11	3,040	20	6,612	13	4,553	-	-	44	14,205
FHLB Down Payment Plus Grant	29	171	24	135	23	138	4	24	80	468
UCB Credit Builder	-	-	-	-	-	-	-	-	0	0
Totals	191	16,452	197	21,004	216	21,663	21	1,697	625	60,816
<i>Source: Bank Records</i>										

Community Development Loans

UCB made a relatively high level of community development loans in the Non-MSA. The following table shows the 169 community development loans totaling \$66.1 million that were originated in the Non-MSA during the current evaluation period. The bank originated 106 community development loans totaling \$7.3 million during the previous evaluation period. The notable increase in part due to the increase in branches in Adams County, which better allows the bank to serve the entire county

Community Development Lending – Illinois Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019	39	3,894	2	81	1	1,200	2	809	44	5,984
2020	44	3,047	-	-	11	10,844	9	8,716	64	22,607
2021	51	3,797	1	88	5	8,459	4	25,171	61	37,515
Total	134	10,738	3	169	17	20,503	15	34,696	169	66,106

Source: Bank Records

Below are notable examples of the bank’s community development loans in the assessment area:

- The bank originated or renewed over \$200,000 to an economic development organization in an underserved area in the Non-MSA. This loan promotes economic development, which is a prevalent need in this assessment area.
- Sixteen loans totaling over \$1.1 million were originated to a borrower in Macomb, IL for the purchase of multiple rental homes, including some multi-family units. All but one of the units are leased at rates that are affordable to low- and moderate-income individuals and promotes affordable housing which is a primary need identified by a community contact.
- The bank originated a \$650,000 loan to finance the acquisition of a 32-unit apartment building in Quincy, IL. All the units are leased at rates that are affordable to low- and moderate-income individuals and promotes affordable housing, which is a primary need identified by community contact.

INVESTMENT TEST

UCB has High Satisfactory performance under the Investment Test and reflects good responsiveness to credit and community development needs in its Illinois Non-MSA counties. This conclusion was determined by evaluating the investment and grant activity, its responsiveness to credit and community development needs, and use of innovative and complex investments to support community development initiatives. For this performance test, more weight is given to the investment and grant activity criterion.

Investment and Grant Activity

UCB made a significant level of investments and donations during the evaluation period. The bank made 37 qualified investments totaling \$11.8 million and 399 qualified donations totaling \$229,000 during the evaluation period in this assessment area. Qualified investments and donations supported community service, economic development, and revitalizing and stabilization efforts in the assessment area that primarily benefiting LMI individuals and areas.

As a point of comparison, at the previous evaluation, UCB made 31 qualified investments totaling \$7.6 million in this assessment area, all of which were for the purchase of general obligation bonds to local school districts in which more than one half of the students qualify for free or reduced lunches.

Qualified Investments – Illinois Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	10	2,350	-	-	-	-	10	2,350
2/19/2019 – 12/31/2019	-	-	2	1,135	2	450	-	-	4	1,585
2020	-	-	-	-	3	535	-	-	3	535
2021	-	-	19	7,060	1	260	-	-	20	7,320
Total	0	0	31	10,545	6	1,245	0	0	37	11,790
Qualified Grants & Donations	1	<1	370	201	23	26	5	2	399	229
Total	1	<1	401	10,746	29	1,271	5	2	436	12,019

Source: Bank Records

Below are notable examples of community development investments made by the bank in the Illinois Non-MSA assessment area during the current review period:

- During the current review period, UCB purchased two Recovery Zone Economic Development bonds in the city of Quincy. These bonds are targeted towards the low- and moderate-income and economically disadvantaged areas and promote economic development in those areas in the city.
- UCB purchased or retained 30 general obligation bonds from school districts within the assessment area, in the amount of \$10.5 million. These bonds finance various capital improvements to school buildings. More than 50 percent of the students in these school districts qualify for free or reduced lunches. This school districts provides essential community services to a high percentage of low- and moderate-income students in the assessment area.
- UCB made 399 grants or donations totaling \$229,000 to organizations throughout the Illinois Non-MSA assessment area during this evaluation period. This activity is an increase from the \$76,334 donated during the last evaluation.

Responsiveness to Credit and Community Development Needs

UCB exhibits good responsiveness to credit and community economic development needs in the assessment area. The bank made donations that support qualified community services, economic development, and revitalization and stabilization of the area. In addition, the bank purchased qualified investments supporting community service and economic development of the area. These donations and investments support the community development needs identified in this assessment area.

Community Development Initiatives

The institution rarely uses innovative or complex investments to support community development initiatives in this assessment area. The investments and grants noted above are useful and help promote community development; however, they are generally, not innovative or complex by nature.

SERVICE TEST

The service test is rated High Satisfactory. This conclusion was determined by evaluating the accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting assessment area needs, and community development services. For this performance test, more weight is afforded to the community development services criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. The bank operates 19 full-service branches and 21 ATMs in this assessment area.

Changes in Branch Locations

As a result of a merger previously mentioned, UCB now has 19 full-service branch offices and 21 ATMs in this assessment area. UCB operates no branches or ATMs in low-income geographies; however, it operates two branches and two ATMs in moderate-income geographies. Two branches acquired as part of the merger were closed, both of which were located in middle-income tracts.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Community Development Services

UCB provided a high level of community development services in this assessment area throughout the review period. The bank provided 386 community development services to 48 different

organizations in the Illinois Non-MSA assessment area. This activity is a significant increase in comparison to the previous evaluation where the bank provided 157 qualified services to more than 50 organizations. The increase is attributed, in part, to the acquisition of additional branches in this assessment area at the beginning of the evaluation period, which allows the bank to better serve the entire Adams County.

Community development services promoted affordable housing, community services, economic development, and revitalization and stabilization efforts throughout the assessment area. Bank employees served over 1,800 hours to qualifying organizations. The following table shows qualified services by type for each year throughout the review period.

Community Development Services – Illinois Non-MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019	1	49	8	2	60
2020	3	29	7	2	41
2021	20	210	47	8	285
Total	24	288	62	12	386

Source: Bank Records

Notable examples of community development services provided during the current review period are listed below:

- Employees providing financial and technical expertise to the Habitat for Humanity located in Quincy. This organization provides affordable housing to low- and moderate-income individuals in the assessment area.
- Bank employees provide financial expertise to multiple economic development organizations throughout the assessment area to assist existing small businesses and attract new small businesses, focusing on low- and moderate-income tracts where more assistance is needed.
- Bank employees provide financial literacy education to children at various elementary schools throughout the Illinois Non-MSA assessment area.

Overall, UCB employees have sought opportunities to provide their financial or technical expertise to organizations that strive to meet the definition of community development. The bank has demonstrated adequate responsiveness to community development needs through its services activity.

ST LOUIS, MISSOURI-ILLINOIS MSA #41180 – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ST LOUIS, MISSOURI-ILLINOIS MSA

UCB has designated all of Macoupin County, a portion of Madison County, and two bordering census tracts in adjacent Morgan and Montgomery Counties as an assessment area. Macoupin and Madison Counties are part of the St. Louis, MO-IL MSA. The assessment area consists of whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all of the geographies where the bank’s offices and deposit-taking ATMs are located.

The bank operates eight full-service branch offices and nine ATMs in the St. Louis, MO-IL MSA assessment area. As of June 30, 2021, this assessment area accounted for 19 percent of the bank’s total deposits, which represents the third largest deposit base among the five assessment areas. Additionally, this assessment area accounts for the third highest number of both home mortgage and small business loans. Therefore, the St. Louis, MO-IL assessment area holds more weight towards the overall conclusions than the Bloomington, IL MSA and Missouri Non-MSA, but less weight than the Springfield, IL MSA and Illinois Non-MSA assessment areas.

Economic and Demographic Data

This assessment area includes 39 census tracts, which includes all tracts in Macoupin County, two adjacent tracts in Montgomery and Morgan Counties, and 24 tracts in Madison County. These tracts reflect the following income designations according to the 2015 ACS Census.

- 1 low-income tracts
- 10 moderate-income tracts
- 28 middle-income tracts

The sole low-income tract in the assessment area is located in East Alton in the southwest portion of the assessment area and is surrounded by nine moderate-income tracts. The other moderate-income tract is located in the town of Gillespie in Macoupin County. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: St Louis MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	39	2.6	25.6	71.8	0.0	0.0
Population by Geography	145,497	3.5	22.2	74.2	0.0	0.0
Housing Units by Geography	67,341	4.0	23.3	72.7	0.0	0.0
Owner-Occupied Units by Geography	44,670	3.0	19.1	77.9	0.0	0.0
Occupied Rental Units by Geography	15,677	6.7	32.8	60.5	0.0	0.0
Vacant Units by Geography	6,994	4.2	29.1	66.7	0.0	0.0

Demographic Information of the Assessment Area						
Assessment Area: St Louis MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Businesses by Geography	8,189	2.9	25.4	71.7	0.0	0.0
Farms by Geography	591	0.8	6.1	93.1	0.0	0.0
Family Distribution by Income Level	39,326	24.7	20.1	22.5	32.6	0.0
Household Distribution by Income Level	60,347	26.5	17.7	18.8	37.0	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$106,493
Median Family Income Non-MSAs - IL		\$59,323	Median Gross Rent			\$714
			Families Below Poverty Level			10.4%
<i>Sources: 2015 ACS and 2021 D&B Data</i>						
<i>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>						

The FFIEC median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2020 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120
2021 (\$84,700)	<\$42,350	\$42,350 to <\$67,760	\$67,760 to <\$101,640	≥\$101,640
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the Borrower Profile criterion in the Lending Test compares the distribution of businesses and farms by GAR level.

According to 2021 D&B data, there were 8,189 non-farm businesses in the assessment area with the following GAR levels.

- 81.7 percent have \$1 million or less
- 4.6 percent have more than \$1 million
- 13.7 percent have unknown revenues

According to 2021 D&B data, there were 591 farms in the assessment area with the following GAR levels.

- 98.8 percent have \$1 million or less

- 1.0 percent have more than \$1 million
- 0.2 percent have unknown revenues

Service industries represent the largest portion of businesses at 36.3 percent followed by retail trade (13.7 percent), non-classifiable establishments (13.4 percent), and finance, insurance, and real estate (9.8 percent). In addition, 88.8 percent of area businesses have nine or fewer employees, and 86.1 percent operate from a single location. According to the *St. Louis Business Journal*, the largest employers in the area are local hospitals and healthcare facilities.

The following table shows the unemployment rates for each county, the state, and the national average in each year of the review period. These rates show that the economy of this assessment area has been improving towards pre-coronavirus pandemic levels, as have the economies for the state and the nation.

Unemployment Rates			
Area	February 2020	February 2021	February 2022
	%	%	%
Macoupin	3.6	5.8	4.3
Madison	3.1	5.8	4.1
Montgomery	5.2	7.1	5.3
Morgan	3.5	6.2	4.6
Illinois	3.9	7.3	5.0
National Average	3.5	6.2	3.8
<i>Source: Bureau of Labor Statistics</i>			

Competition

This assessment area has a high level of competition for deposits. According to the FDIC Deposit Market Share data as of June 30, 2021, there were 42 financial institutions that operated 147 full-service branches within the assessment area. Of these institutions, UCB ranked seventh with a 5.6 percent deposit market share.

There is also a high degree of competition for home mortgage loans in the assessment area. In 2020, 225 lenders reported a total of 6,248 home mortgage loan originations and purchases throughout the assessment area. UCB ranked first out of this group of lenders with a market share of 9 percent.

Similarly, there is a high level of competition for small business loans in the assessment area. In 2020, 99 lenders reported a total of 6,072 small business loans and purchases in the assessment area. UCB ranked seventh out of this group of lenders with a market share of 6.4 percent.

There is a moderate level of competition for small farm loans in the assessment area. In 2020, 19 lenders reported a total of 413 small farm loans. UCB ranked second out of this group of lenders with a market share of 15.5 percent.

Community Contact(s)

Two recent community contacts were reviewed in the St. Louis, MO-IL MSA as part of the scope of this evaluation. The contacts were made with non-profit organizations that promote affordable housing, community services, and economic development throughout the area. The contacts were heavily involved with housing markets throughout the area and expressed a need for affordable housing, particularly related to options beyond conventional loan products. One contact noted the need for flexible loan products that could support the rehabilitation and improvements for current housing stock. Additionally, one of these contacts emphasized the need for affordable housing located in close-proximity to the manufacturing facilities in the area.

The contacts shared comments about small business financing in the area. Both of these contacts identified the need for innovative ways to assist small businesses, such as equity investments to help new operations get started or collaborating with local governments to expand financing possibilities such as through bond issues. Additionally, the contacts mentioned the need for financial literacy, including individual finances, as well as additional support for small business owners. One of the contacts also mentioned helping local communities with workforce development and assisting residents in obtaining or maintaining a home or starting a new business. Overall, the contacts shared comments indicating that local financial institutions have been responsive to credit and community development needs in the area.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and demographic and economic data, examiners determined that home mortgage, small business, and affordable housing loans represent the primary credit needs in the area. The percentage of low- and moderate-income families in the assessment area at 44.8 percent and the high percentage of businesses with GARs of \$1 million or less support this conclusion. There are also numerous non-profit agencies in the area that provide essential services to low- and moderate-income individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA IN ST LOUIS, MISSOURI-ILLINOIS MSA

LENDING TEST

The bank's lending performance reflects good responsiveness to the credit needs in the St. Louis, Missouri-Illinois MSA. This conclusion was determined by evaluating the bank's lending activity, geographic distribution of loans, borrowers' profile, innovative or flexible lending practices and community development lending.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs within the St. Louis, MO-IL MSA. This conclusion is supported by the bank's good volume of home mortgage, small business, and small farm lending within this assessment area during the current evaluation period.

As previously mentioned, the assessment area is highly competitive for home mortgage and small business lending.

In 2020, UCB originated 565 home mortgage loans totaling \$73.3 million in the MSA. This volume of lending represented the highest market share, by number of loans, among 225 lenders that made home mortgage loans in the MSA during the year.

For small business lending, the bank extended 353 loans in 2020 in the MSA. Of 99 lenders, UCB ranked seventh out of this group of lenders that reported small business loan data during the year with 6.4 percent of the market share. It also ranked second out of 19 lenders that reported small farm loan data during the year with 15.5 percent of the market share.

Geographic Distribution

The geographic distribution of home mortgage, small business, and small farm loans reflects adequate penetration throughout the assessment area. For this criterion, examiners focused on the percentage by number of loans in low- and moderate- income census tracts. This analysis presents only loans originated inside the assessment area.

Home Mortgage Loans

UCB has demonstrated adequate penetration of home mortgage lending throughout its assessment area in both 2020 and 2021. Examiners compared the bank's performance to HMDA aggregate data and the percentage of owner-occupied housing units by tract income category. As shown in the following table, only 3 percent of housing units in the assessment area are located in low-income tracts; therefore, examiners placed more weight on the bank's performance in lending in moderate-income tracts. UCB's lending to households located in moderate-income tracts was below the aggregate data in 2020 and below the demographic data in both 2020 and 2021. However, the bank ranked fourth out of 110 lenders in these tracts with a 6.3 percent market share. The bank with the highest ranked market share originated or purchased 63 home mortgage loans in moderate-income tracts, compared to UCB's 58 loans. Given the high degree of competition and the performance context mentioned, performance is considered reasonable and demonstrates a willingness to lend throughout the assessment area.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: St Louis MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	3.0	2.1	2	0.4	150	0.2
2021	3.0	--	8	1.9	484	0.9
Moderate						
2020	19.1	14.8	58	10.3	4,210	5.7
2021	19.1	--	49	11.6	3,762	7.3
Middle						
2020	77.9	83.1	505	89.4	68,925	94.1
2021	77.9	--	367	86.6	47,068	91.7
Upper						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	565	100.0	73,285	100.0
2021	100.0	--	424	100.0	51,314	100.0
<i>Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

UCB exhibited adequate penetration throughout its assessment area for small business loans in both 2020 and 2021. Examiners compared the bank's small business lending to the distribution of businesses by tract income level throughout the assessment area and the aggregate performance in 2020. As shown in the following table, the bank's small business lending was comparable to both aggregate performance and percentage of businesses in low-income tracts in 2020. Similarly, small business lending in 2021 was comparable to the percentage of businesses in low-income tracts in 2021. Additionally, small business lending in 2020 is comparable to both the aggregate performance and the percentage of businesses in moderate-income tracts.

Geographic Distribution of Small Business Loans						
Assessment Area: St Louis MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	2.8	2.2	4	1.1	595	2.6
2021	2.9	--	5	2.0	235	1.5
Moderate						
2020	25.0	23.7	84	23.8	7,017	30.2
2021	25.4	--	46	18.3	3,090	19.3
Middle						
2020	72.2	74.0	265	75.1	15,656	67.3
2021	71.7	--	200	79.7	12,682	79.2
Upper						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	353	100.0	23,268	100.0
2021	100.0	--	251	100.0	16,007	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

UCB exhibited adequate penetration throughout its assessment area for small farm loans in 2020 and 2021. Examiners compared the bank's small farm lending to the distribution of farms by tract income level throughout the assessment area and to the aggregate performance in 2020. While farm demographic data is presented in the following table as a comparable factor, such data consists of all farms that exist within the assessment area, including those that may not be seeking traditional financing. Thus, aggregate data is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small farms. As shown in the following table, in 2020, the bank originated 5.5 percent of its small farm loans in moderate-income tracts, which is above aggregate performance and comparable to the demographic data. The low- and moderate-income tracts in this assessment are more urban in nature and contain very few farm operations; therefore, the bank's performance is reasonable.

Geographic Distribution of Small Farm Loans						
Assessment Area: St Louis MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	0.6	0.0	0	0.0	0	0.0
2021	0.8	--	0	0.0	0	0.0
Moderate						
2020	5.9	2.9	3	5.5	133	2.2
2021	6.1	--	0	0.0	0	0.0
Middle						
2020	93.5	97.1	52	94.5	5,829	97.8
2021	93.1	--	77	100.0	5,883	100.0
Upper						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Not Available						
2020	0.0	0.0	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	55	100.0	5,962	100.0
2021	100.0	--	77	100.0	5,883	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different incomes and excellent penetration among businesses and farms of different sizes. Examiners focused on the percentage by number of small business loans to businesses and farms with GARs of \$1 million or less, as well as the percentage by number of home mortgage loans to low- and moderate- income borrowers. This analysis presents only loans originated inside the assessment area.

Home Mortgage Loans

UCB reflects adequate penetration among borrowers of different incomes in its home mortgage lending in 2020 and 2021. Examiners compared the bank's performance to both aggregate and demographic data. For performance context, it is noted that 10.4 percent of assessment area families had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. The bank's lending to low-income borrowers was comparable to aggregate performance in 2020 and was comparable to demographic data in both 2020 and 2021 when comparing to the percent of families

that can reasonably be expected to afford a home mortgage loan. Additionally, the bank's lending to moderate-income borrowers slightly exceeded both aggregate and demographic data in 2020 and demographic data in 2021.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: St Louis MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	24.7	13.7	65	11.5	4,165	5.7
2021	24.7	--	61	14.4	4,174	8.1
Moderate						
2020	20.1	20.7	134	23.7	12,770	17.4
2021	20.1	--	94	22.2	9,204	17.9
Middle						
2020	22.5	20.8	147	26.0	18,755	25.6
2021	22.5	--	122	28.8	13,883	27.1
Upper						
2020	32.6	25.9	207	36.6	35,775	48.8
2021	32.6	--	130	30.7	22,717	44.3
Not Available						
2020	0.0	18.9	12	2.1	1,820	2.5
2021	0.0	--	17	4.0	1,336	2.6
Totals						
2020	100.0	100.0	565	100.0	73,285	100.0
2021	100.0	--	424	100.0	51,314	100.0
<i>Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

UCB exhibited excellent penetration to business customers of different sizes in both 2020 and 2021. Examiners compared the bank's performance to both aggregate data and percentage of businesses in the assessment area, with an emphasis on the former. As shown in the following table, the bank's percentage of small business loans originated to businesses with \$1 million or less in gross annual revenues greatly exceeded the aggregate performance in 2020. Additionally, the bank's percentage of small business loans originated to businesses with GARs of \$1 million or less exceeded the percentage of businesses of this size in the assessment area. This demonstrates a willingness to lend to businesses of different sizes, in particular to the small businesses located within the bank's assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: St Louis MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	80.0	50.0	294	83.3	12,340	53.0
2021	81.7	--	224	89.2	9,451	59.0
>\$1,000,000						
2020	5.1	--	54	15.3	10,693	46.0
2021	4.6	--	26	10.4	6,538	40.8
Revenue Not Available						
2020	14.9	--	5	1.4	235	1.0
2021	13.8	--	1	0.4	18	0.1
Totals						
2020	100.0	100.0	353	100.0	23,268	100.0
2021	100.0	--	251	100.0	16,007	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

The distribution of loans to borrowers reflects excellent penetration among farms of different sizes. For this conclusion, examiners placed more weight on the bank's performance in relation to aggregate data. While agricultural demographic data is presented in the following table as a comparative factor, such data consists of all farms that exist within the assessment area, including farms that may not be seeking traditional financing. Thus, aggregate data is considered the better comparable factor as it more accurately represents demand and the level of opportunities to originate loans to small farms.

The following table shows that 92.7 percent of the bank's small farm loans were originated to farms with GARs of \$1 million or less in 2020. This number greatly exceeds the 2020 aggregate performance of 64.4 percent. In 2020, UCB ranked second in lending to small farms with GARs of \$1 million or less with a 23 percent market share. This further supports the bank's excellent rating of lending to smaller farms in the assessment area.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: St Louis MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	98.9	64.4	51	92.7	5,207	87.3
2021	98.8	--	75	97.4	5,412	92.0
>\$1,000,000						
2020	0.9	--	3	5.5	750	12.6
2021	1.0	--	2	2.6	471	8.0
Revenue Not Available						
2020	0.2	--	1	1.8	5	0.1
2021	0.2	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	55	100.0	5,962	100.0
2021	100.0	--	77	100.0	5,883	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs. The following table shows the bank made 263 flexible loans totaling \$23.1 million in this assessment area during the current evaluation period. The majority of these loans were made through Fannie Mae's HomeReady program and the USDA Guaranteed Rural Housing program. Both of these programs assist low- and moderate-income borrowers in financing a home mortgage loan with low down payment options. Affordable housing and home mortgage products are prevalent needs in the assessment area.

Innovative or Flexible Lending Programs – St Louis MO-IL MSA										
Type of Program	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Federal Housing Administration	3	385	14	1,345	9	1,019	1	113	27	2,862
Fannie Mae HomeReady	11	841	17	1,713	55	5,040	2	196	85	7,790
Fannie Mae Community Seconds	5	299	6	353	7	454	-	-	18	1,106
Fannie Mae RefiNow	-	-	-	-	-	-	-	-	0	0
Veterans Administration	7	990	6	1,084	5	971	-	-	18	3,045
USDA Guaranteed Rural Housing	12	1,071	31	2,910	37	3,711	2	216	82	7,908
FarmerMac	-	-	-	-	1	244	-	-	1	244
FHLB Down Payment Plus Grant	6	33	14	72	10	60	-	-	30	165
UCB Credit Builder	-	-	-	-	2	2	-	-	2	2
Totals	44	3,619	88	7,477	126	11,501	5	525	263	23,122
<i>Source: Bank Records</i>										

Community Development Loans

UCB made an adequate level of community development loans in the St. Louis, MO-IL MSA. The following table shows the 59 community development loans totaling \$22.8 million that were originated in the St. Louis, MO-IL MSA during the current evaluation period. As a point of comparison, at the previous evaluation, UCB made 55 community development loans totaling \$3.4 million in this assessment area.

Community Development Lending – St. Louis, MO-IL MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2019	10	722	4	1,154	-	-	1	6,000	15	7,876
2020	8	907	3	1,195	3	4,914	8	3,721	22	10,737
2021	16	1,518	2	117	1	39	3	2,463	22	4,137
Total	34	3,147	9	2,466	4	4,953	12	12,184	59	22,750

Source: Bank Records

Below are notable examples of the bank’s community development loans in the assessment area:

- A \$6 million line of credit was originated to the city of Gillespie, which is located entirely in a moderate-income tract. This loan allows the city to make infrastructure improvements that benefit the low- and moderate-income population in the area.
- The bank originated or renewed 34 loans totaling over \$3.1 million to purchase or continue to operate affordable housing units in the assessment area. All units are leased at rates that are affordable to low- and moderate-income individuals and promotes affordable housing which is a primary need identified by community contacts.
- The bank originated a \$1.6 million loan as part of the PPP program. This loan allowed a local manufacturing company that employs a large number of people; a majority are moderate-income, in the area to remain open during the COVID-19 pandemic.

INVESTMENT TEST

The bank’s investment performance reflects adequate responsiveness to credit and community development needs in Macoupin and Madison Counties (St. Louis, MO-IL, MSA). This conclusion was determined by evaluating the investment and grant activity. For this performance test, more weight is given the investment and grant activity criterion.

Investment and Grant Activity

UCB made or held 26 qualified investments totaling \$16.7 million and 197 qualified donations totaling \$204,000 in this assessment area during the current evaluation period. Qualified investments supported organizations that provide affordable housing and economic development efforts supporting low- and moderate-income individuals or LMI areas. The bank made 21

qualified investments and donations totaling \$5.6 million in this assessment area at the last evaluation.

Qualified Investments – St Louis, MO-IL MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	9	3,974	3	2,205	-	-	-	-	12	6,179
2/19/2019 – 12/31/2019	2	408	7	980	-	-	-	-	9	1,388
2020	-	-	-	-	-	-	-	-	0	0
2021	5	9,102	-	-	-	-	-	-	5	9,102
Total	16	13,484	10	3,185	0	0	0	0	26	16,669
Qualified Grants & Donations	-	-	181	58	4	5	12	141	197	204
Total	16	13,484	191	3,243	4	5	12	141	223	16,873

Source: Bank Records

Below are notable examples of community development investments made by UCB in the St. Louis, MO-IL MSA assessment area during the current review period:

- During the current review period, UCB purchased or held 16 targeted mortgage-backed securities totaling \$13.5 million that were collateralized by mortgages from low- and moderate-income borrowers primarily located in the assessment area. These investments promote affordable housing throughout the assessment area.
- UCB purchased seven general obligation bonds from a school district in Macoupin County in the amount of \$0.9 million. These bonds finance various improvements to existing school buildings throughout the district. More than 50 percent of the students in this school district qualify for free or reduced lunches. This school district provides essential community services to a high percentage of low- and moderate-income students in the assessment area.
- UCB made 197 grants or donations totaling \$204,000 to community service, economic development and revitalization and stabilization organizations throughout the St. Louis, MO-IL MSA assessment area during this evaluation period.

Responsiveness to Credit and Community Development Needs

UCB exhibits good responsiveness to credit and community economic development needs in the assessment area. The bank made donations that support qualified community services, economic development, and revitalization and stabilization of the area. In addition, the bank purchased qualified investments supporting affordable housing and economic development of the area. These donations and investments support the community development needs identified in this assessment area.

Community Development Initiatives

The institution occasionally uses complex investments to support community development initiatives. The bank invested funds supporting affordable housing in mortgage-backed securities with a primary purpose of funding low- and moderate-income borrowers within its assessment area. These investments provide affordable housing for residents and improve neighborhood stability.

SERVICE TEST

The Service Test is rated Low Satisfactory. This conclusion was determined by evaluating the accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting assessment area needs, and community development services. For this performance test, more weight is afforded toward the community development services criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the assessment area. As previously mentioned, the bank operates eight full-service branch offices and nine ATMs in this assessment area.

Changes in Branch Locations

To the extent changes were made, the institution's opening of branches has had no effect on the accessibility of delivery systems. No branches or ATMs were closed since the prior examination.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Community Development Services

UCB provided an adequate level of community development services in this assessment area. Overall, 85 community development services were provided to 12 different organizations in Madison and Macoupin Counties. Bank employees served over 500 hours to promote community services, economic development, and revitalization efforts in the community. As a point of comparison, the bank provided 35 services to 17 different organizations at the last evaluation. Additionally, UCB operates four full-service branch offices and five 24-hour ATMs in moderate-income census tracts in the cities of Gillespie and Alton, Illinois.

The following table shows the bank’s community development services activities provided in this assessment area.

Community Development Services – St Louis, MO-IL MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019	0	8	5	0	13
2020	0	8	3	0	11
2021	0	36	14	11	61
Total	0	52	22	11	85
<i>Source: Bank Records</i>					

Notable examples of community development services provided during the current review period are listed below:

- Vice President and a loan officer serve on the finance committee for a school in a moderate-income census tract in which more than 50 percent of the students are eligible for the reduced lunch program.
- Bank employees served as board members or treasurer for multiple local economic development organizations focused on growing businesses and attracting new small businesses in low- and moderate-income cities.
- Bank employees serve on the Board of local non-profit organizations that focus on providing community services to low-income individuals. Employees provide financial advice by preparing budgets, supporting fundraising events, and assisting with the strategic plan of raising funds to be able to assist low- and moderate-income individuals in need.

Overall, UCB employees have sought opportunities to provide their financial or technical expertise to organizations that strive to meet the definition of community development.

BLOOMINGTON, ILLINOIS MSA – Limited-Scope Review

The designated Bloomington, Illinois assessment area consists of one tract in McLean County. This census tract is classified as middle-income and the assessment area does not arbitrarily exclude low- and moderate-income areas, and is where the bank’s only office in McLean County is located.

As of June 30, 2020, this assessment area only accounted for less than one percent of the bank’s total deposits, which represents the smallest deposit base among the five assessment areas. Therefore, performance in this assessment area is less heavily weighted when determining the institution’s overall rating.

Demographic Data

As stated above, this assessment area has one census tract that is classified as middle-income. It has a total population of 7,259. The following table provides a summary of relevant demographics, housing, and business information within the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Bloomington MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1	0.0	0.0	100.0	0.0	0.0
Population by Geography	7,259	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	3,000	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	2,475	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	293	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	232	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	412	0.0	0.0	100.0	0.0	0.0
Farms by Geography	67	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	2,091	11.2	22.8	23.1	42.9	0.0
Household Distribution by Income Level	2,768	15.6	14.0	19.6	50.8	0.0
Median Family Income MSA - 14010 Bloomington, IL MSA		\$83,034	Median Housing Value			\$179,000
			Median Gross Rent			\$744
			Families Below Poverty Level			3.0%
<i>Sources: 2015 ACS and 2021 D&B Data</i> <i>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>						

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREA

LENDING TEST

The lending test is rated Needs to Improve. The lending performance in this assessment area is below the bank's lending performance in the other assessment areas that were reviewed using the full-scope examination procedures; however, it does not change the institution's overall rating.

Lending Activity

UCB's lending activity is very limited in this assessment area. The bank only operates one branch in rural Hudson, Illinois and has a limited number of employees. The bank did not originate any

home mortgage loans in this assessment area in 2020 and only originated six home mortgage loans totaling \$592,000 in 2021.

The bank originated 14 small business loans totaling \$1.0 million in 2020 and 13 small business loans totaling \$590,000 in 2021 in this assessment area. Two small farm loans were originated in 2021 totaling \$64,000.

Geographic Distribution

The assessment area does not include any low- and moderate -income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

Borrower Profile

UCB did not originate any home mortgage loans to low- or moderate-income borrowers in 2020. In 2021, the bank originated one loan to a low-income borrower and one loan to a moderate-income borrower in 2021. While these loans each account for 16.7 percent of the bank's total loans in this assessment, this skews the percentage of loans as the bank only originated six loans in this assessment area. Given the limited number of loans, meaningful conclusions are difficult to draw and carry little weight in the bank's overall rating.

In terms of small business lending, the bank originated 14 small business loans totaling \$1.0 million in 2020 and 13 small business loans totaling \$590,000 in 2021. In 2020, 10 loans (71.4 percent) were originated to businesses with GARs of \$1 million or less. Although this is above the aggregate data (57.9 percent) and below the demographic data (87.0 percent), the nominal amount of loans make it difficult to draw meaningful conclusions and carry little weight in the overall conclusions. In 2021, 8 small business loans (61.5 percent) were originated to businesses with GARs of \$1 million or less. The bank originated only two small farm loans in this assessment area. Both loans were originated in 2021 to farms with GARs of \$1 million or less.

Community Development Lending

UCB did not originate or renew any community development loans in this assessment area during the review period.

INVESTMENT TEST

The investment test is rated Needs to Improve in this assessment area. The bank's investment performance in the Bloomington MSA is below the investment performance in the assessment areas where full-scope examination procedures were used; however, it does not change the institution's overall rating. This rating is similar to the last evaluation.

UCB held one prior period investment for \$545,000 and made four qualified donations totaling \$550 during the evaluation period. UCB operates one branch in the Bloomington MSA assessment area.

Given the limited number of branches in this assessment area, examiners placed less weight on this assessment area in this evaluation.

Investment Activity

As stated above, UCB held one prior period investment for \$545,000 and made four qualified donations totaling \$550 during the evaluation period. The qualified investment supported affordable housing in a mortgage-backed security with a primary purpose of funding low- and moderate-income borrowers within the assessment area. The four donations supported community service organizations that target LMI individuals.

SERVICE TEST

The service test is rated Needs to Improve. The bank's service performance in the Bloomington MSA is below the service performance in the assessment areas where full-scope examination procedures were used; however, it does not change the institution's overall rating.

Accessibility of Delivery Systems

The bank's delivery systems are accessible to essentially all portions of the institution's assessment areas. The bank operates one full-service branches and one ATM in this assessment area.

Changes in Branch Locations

The sole branch in this assessment area was acquired through a bank merger in June 2017. To the extent changes have been made, the institution's opening and closing of branches has not adversely affected the accessibility of its delivery systems. No branches were closed since the prior examination in this assessment area.

Community Development Services

No community development services were made during this evaluation period and is similar to the last evaluation. As stated above, UCB has one branch in the Bloomington MSA assessment area that was acquired in a bank merger in June 2017. Given the bank only has one branch in this assessment area, examiners placed little weight on this assessment area when determining the overall rating.

STATE OF MISSOURI

CRA RATING FOR STATE OF MISSOURI: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

SCOPE OF EVALUATION – MISSOURI

The rating for the State of Missouri is based upon a full-scope evaluation of the bank's performance in the Missouri Non-MSA assessment area, as this is the bank's only assessment area in this state. Therefore, the State of Missouri rating is based on the performance in the Missouri Non-MSA assessment area. For this rating area, home mortgage, small business, and small farm loans are considered; however, home mortgage and small business loans received the most weight similar to the State of Illinois.

MISSOURI NON-MSA – Full-Scope Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MISSOURI NON-MSA

UCB has designated a portion of Marion County in Missouri as an assessment area. This assessment area is newly designated since the previous evaluation with the acquisition of Mercantile Bank in 2019. Marion County is not located in an MSA. This assessment area consists of seven census tracts, whole geographies, does not arbitrarily exclude low- and moderate-income areas, and includes all of the geographies where the bank's offices and deposit-taking ATMs are located.

The bank operates one full-service branch office and one ATM in the Missouri Non-MSA assessment area. As of June 30, 2021, this assessment area accounted for 1 percent of the bank's total deposits.

Economic and Demographic Data

This assessment area includes seven census tracts in Marion County. According to the 2015, ACS data, this assessment area includes one moderate-income, four middle-income, and two upper-income tracts. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Missouri Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	14.3	57.1	28.6	0.0
Population by Geography	25,539	0.0	12.2	57.2	30.5	0.0
Housing Units by Geography	11,514	0.0	12.5	56.8	30.7	0.0
Owner-Occupied Units by Geography	6,295	0.0	9.7	54.9	35.3	0.0
Occupied Rental Units by Geography	3,714	0.0	13.0	61.3	25.7	0.0
Vacant Units by Geography	1,505	0.0	23.1	53.2	23.7	0.0
Businesses by Geography	1,797	0.0	12.9	54.6	32.5	0.0
Farms by Geography	84	0.0	6.0	29.8	64.3	0.0
Family Distribution by Income Level	6,404	21.3	18.0	18.2	42.5	0.0
Household Distribution by Income Level	10,009	22.5	15.0	19.8	42.7	0.0
Median Family Income Non-MSAs – MO		\$48,341	Median Housing Value			\$101,010
			Median Gross Rent			\$605
			Families Below Poverty Level			15.1%
<i>Sources: 2015 ACS and 2021 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.</i>						

The FFIEC median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the assessment area are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
MO NA Median Family Income (99999)				
2020 (\$54,400)	<\$27,200	\$27,200 to <\$43,520	\$43,520 to <\$65,280	≥\$65,280
2021 (\$55,700)	<\$27,850	\$27,850 to <\$44,560	\$44,560 to <\$66,840	≥\$66,840
<i>Source: FFIEC</i>				

The analysis of small business and small farm loans under the Borrower Profile criterion in the Lending Test compares the distribution of businesses and farms by GAR level.

According to 2021 D&B data, there were 1,692 non-farm businesses in the assessment area with the following GAR levels.

- 77.3 percent have \$1 million or less
- 5.6 percent have more than \$1 million

- 17.2 percent have unknown revenues

According to 2021 D&B data, there were 78 farms in the assessment area with the following GAR levels.

- 96.2 percent have \$1 million or less
- 2.6 percent have more than \$1 million
- 1.3 percent have unknown revenues

Service industries represent the largest portion of businesses at 39.7 percent followed by retail trade (15.8 percent), non-classifiable establishments (12.9 percent), and finance, insurance, and real estate (8.8 percent). In addition, 84.3 percent of area businesses have nine or fewer employees, and 81.8 percent operate from a single location. According to local economic development organization in the assessment area, the largest employers in the area are local health care facilities and manufacturing companies.

The following table shows the unemployment rates for the county, the state, and the national average in each year of the review period. These rates show that the economy of this assessment area has been improving towards pre-coronavirus pandemic levels, as have the economies for the state and the nation.

Unemployment Rates			
Area	February 2020	February 2021	February 2022
	%	%	%
Marion	3.2	4.7	3.0
Missouri	3.4	5.4	3.7
National Average	3.5	6.2	3.8

Source: Bureau of Labor Statistics

Competition

This assessment area has a low level of competition for deposits. According to the FDIC Deposit Market Share data as of June 30, 2021, there were nine financial institutions that operated 17 full-service branches within the assessment area. Of these institutions, UCB ranked sixth with a 3.5 percent deposit market share.

There is a high degree of competition for home mortgage loans in the assessment area. In 2020, 82 lenders reported a total of 959 home mortgage loan originations and purchases throughout the assessment area. UCB ranked fifth out of this group of lenders with a market share of 3.6 percent.

Additionally, there is a moderate level of competition for small business loans in the assessment area. In 2020, 39 lenders reported a total of 296 small business loans and purchases in the assessment area. UCB ranked second out of this group of lenders with a market share of 16.2 percent.

There is a low level of competition for small farm loans in the assessment area. In 2020, 9 lenders reported a total of 40 small farm loans. UCB ranked first out of this group of lenders with a market share of 30.0 percent.

Community Contact(s)

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and CD needs. This information helps determine whether local financial institutions are responsive to these needs. It also shows what credit and CD opportunities are available.

One community contact was reviewed in the Missouri Non-MSA assessment area as part of the scope of this evaluation. The contact was made with an organization that promotes affordable housing throughout the assessment area. The contact indicated that there is a strong need in the area for affordable housing loans and financial literacy programs. The need for small business lending is also needed to assist smaller businesses and startups in the area. Overall, the contact felt that local financial institutions are responsive to credit and community development needs in the area.

Credit and Community Development Needs and Opportunities

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that small business and home mortgage loans represent a primary credit need for the assessment area. Opportunities exist for originating such loans throughout the assessment area. Furthermore, as indicated by community contact information and demographic and economic data, the assessment area has CD needs, including economic development and community service.

CONCLUSIONS ON PERFORMANCE CRITERIA IN MISSOURI NON-MSA

LENDING TEST

The bank's lending performance reflects adequate responsiveness to the credit needs in the Missouri Non-MSA. This conclusion was determined by evaluating the bank's lending activity, geographic distribution of loans, borrowers' profile, community development lending, and innovative or flexible lending practices.

Lending Activity

Lending levels reflect adequate responsiveness to assessment area credit needs within the Missouri Non-MSA. This conclusion is supported by the bank's adequate volume of home mortgage, small business, and small farm lending within the MSA during the current evaluation period.

In 2020, UCB originated 34 home mortgage loans totaling \$5.3 million in the Missouri Non-MSA. This volume of lending represented the fifth highest market share, by number of loans, among 82 lenders that made home mortgage loans in the MSA during the year.

For small business lending, UCB originated 48 small business loans totaling \$6.1 million in the assessment area in 2020. This volume of lending represented the highest market share by dollar

volume and the second highest market share by number of loans. The bank originated 12 small farm loans at \$1.5 million in 2020, and ranked first out of nine lenders that reported small farm loan data during the year with 30 percent of the market share.

Geographic Distribution

The geographic distribution of home mortgage, small business, and small farm loans reflects adequate penetration throughout the assessment area. For this criterion, examiners focused on the percentage by number of loans in low- and moderate- income census tracts. This analysis presents only loans originated inside the assessment area.

Home Mortgage Loans

UCB has demonstrated adequate penetration of home mortgage lending throughout this assessment area in both 2020 and 2021. Examiners compared the bank’s performance to HMDA aggregate data and the percentage of owner-occupied housing units by tract income category. As shown in the following table, the bank did not originate any home mortgage loans in the sole moderate-income tract in 2020 and originated one home mortgage loan in this tract in 2021. However, the bank operates one branch in this assessment area that is approximately 13 miles from this moderate-income tract, in the city of Hannibal. There is a relatively high level of competition Hannibal for a city of its size (population of 17,320) in that ix financial institutions operate 10 branches. In 2020, 15 lenders originated or purchased 42 home mortgage loans in this tract. UCB’s relatively low level of lending in the moderate-income tract is considered reasonable given the aforementioned performance context issues.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: Missouri Non-MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2020	9.7	4.4	0	0.0	0	0.0
2021	9.7	--	1	3.1	60	1.5
Middle						
2020	54.9	53.9	16	47.1	1,810	34.2
2021	54.9	--	23	71.9	2,529	63.1
Upper						
2020	35.3	41.7	18	52.9	3,490	65.8
2021	35.3	--	8	25.0	1,420	35.4
Totals						
2020	100.0	100.0	34	100.0	5,300	100.0
2021	100.0	--	32	100.0	4,009	100.0

*Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Small Business Loans

UCB exhibited adequate penetration throughout its assessment area for small business loans in both 2020 and 2021. Examiners compared the bank’s small business lending to the distribution of businesses by tract income level throughout the assessment area and to the aggregate performance in 2020. As shown in the following table, the bank’s small business lending in the moderate-income tract was comparable to the percentage of businesses in the assessment area for both 2020 and 2021. Although the bank’s level of lending is slightly below the aggregate performance data in 2020, it is noted that the bank does not operate a branch in or near the moderate-income tract. As previously mentioned, there is also an elevated level of competition in the moderate-income tract. The bank’s performance, along with the aforementioned performance context, demonstrates adequate performance and a willingness to lend throughout the assessment area.

Geographic Distribution of Small Business Loans						
Assessment Area: Missouri Non-MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2020	12.9	17.8	7	14.9	293	4.8
2021	12.9	--	5	12.8	102	1.9
Middle						
2020	54.1	44.7	9	19.1	836	13.7
2021	54.6	--	6	15.4	330	6.1
Upper						
2020	32.9	37.5	31	66.0	4,975	81.5
2021	32.5	--	28	71.8	5,017	92.1
Totals						
2020	100.0	100.0	47	100.0	6,104	100.0
2021	100.0	--	39	100.0	5,449	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

UCB exhibited adequate penetration throughout its assessment area for small farm loans in 2020 and 2021. Examiners compared the bank’s small farm lending to the distribution of farms by tract income level throughout the assessment area and to aggregate performance in 2020. As shown in the following table, the bank did not originate any small farm loans in the moderate-income tract during the review period. However, only six percent of assessment area farms are located in the moderate-income tract, which is made up of the city of Palmyra, which limits lending opportunities. Given the performance context, performance is considered reasonable.

Geographic Distribution of Small Farm Loans						
Assessment Area: Missouri Non-MSA						
Tract Income Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
Moderate						
2020	5.1	3.8	0	0.0	0	0.0
2021	6.0	--	0	0.0	0	0.0
Middle						
2020	30.8	15.4	2	28.6	166	18.1
2021	29.8	--	1	12.5	2	1.0
Upper						
2020	64.1	80.8	5	71.4	752	81.9
2021	64.3	--	7	87.5	196	99.0
Totals						
2020	100.0	100.0	7	100.0	918	100.0
2021	100.0	--	8	100.0	198	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different incomes and businesses and farms of different sizes. Examiners focused on the percentage by number of small business loans to businesses and farms with GARs of \$1 million or less, as well as the percentage by number of home mortgage loans to low- and moderate- income borrowers. This analysis presents only loans originated inside the assessment area.

Home Mortgage Loans

UCB reflects adequate penetration among borrowers of different incomes in its home mortgage lending in 2020 and 2021. Examiners compared the bank's performance to both aggregate and demographic data. As shown in the following table, 21.3 percent of assessment area families are low-income; however, 15.1 percent of assessment area families had incomes below the poverty level. These families typically do not possess the financial means to qualify for or afford a home mortgage loan due to financial constraints. The bank's level of home mortgage lending to both low- and moderate-income borrowers in 2020 was comparable to the aggregate performance data. Additionally, the bank originated 9.4 percent of its home mortgage loans in this assessment to low-income borrowers in 2021. This is above the 6.2 percent of families that can reasonably be expected to possess the financial means to qualify for or afford a home mortgage loan.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: Missouri Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2020	21.3	2.7	1	2.9	65	1.2
2021	21.3	--	3	9.4	190	4.7
Moderate						
2020	18.0	13.2	4	11.8	290	5.5
2021	18.0	--	2	6.3	173	4.3
Middle						
2020	18.2	17.6	7	20.6	735	13.9
2021	18.2	--	9	28.1	1,170	29.2
Upper						
2020	42.5	45.7	22	64.7	4,210	79.4
2021	42.5	--	18	56.3	2,476	61.8
Not Available						
2020	0.0	20.8	0	0.0	0	0.0
2021	0.0	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	34	100.0	5,300	100.0
2021	100.0	--	32	100.0	4,009	100.0
<i>Sources: 2015 ACS; Bank Data, 2020 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

UCB exhibited adequate penetration to business customers of different sizes in both 2020 and 2021. As shown in the following table, the bank's percentage of small business loans originated to businesses with \$1 million or less in gross annual revenues significantly exceeded the aggregate performance and was comparable to the percentage of businesses in 2020. Additionally, the bank held the highest market share by both number and dollar volume of small business loans in 2020 to small businesses with GARs of \$1 million or less. In 2021, UCB originated a majority of their small business loans to businesses with GARs of \$1 million or less. This demonstrates a willingness to lend to businesses of different sizes, in particular to the small businesses located within the bank's assessment area.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: Missouri Non-MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	77.2	44.0	35	74.5	1,511	24.8
2021	78.4	--	20	51.3	504	9.2
>\$1,000,000						
2020	5.6	--	12	25.5	4,593	75.2
2021	5.3	--	19	48.7	4,945	90.8
Revenue Not Available						
2020	17.2	--	0	0.0	0	0.0
2021	16.3	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	47	100.0	6,104	100.0
2021	100.0	--	39	100.0	5,449	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Farm Loans

As shown in the following table, the bank only originated 15 small farm loans in both years in this assessment area. Given the low volume of lending to farms in this assessment area, examiners were unable to draw meaningful conclusions. In addition, as previously stated previously, small farm lending carries the least amount of weight in the overall conclusions. Additionally, agricultural lending does not represent a significant credit need in the assessment area.

Distribution of Small Farm Loans by Gross Annual Revenue Category						
Assessment Area: Missouri Non-MSA						
Gross Revenue Level	% of Farms	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2020	96.2	38.5	2	28.6	137	14.9
2021	96.4	--	7	87.5	113	57.1
>\$1,000,000						
2020	2.6	--	5	71.4	781	85.1
2021	2.4	--	1	12.5	85	42.9
Revenue Not Available						
2020	1.3	--	0	0.0	0	0.0
2021	1.2	--	0	0.0	0	0.0
Totals						
2020	100.0	100.0	7	100.0	918	100.0
2021	100.0	--	8	100.0	198	100.0
<i>Sources: 2020 & 2021 D&B Data; Bank Data; 2020 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

The institution uses innovative and/or flexible lending practices in order to serve assessment area credit needs. The following table shows the bank made 24 flexible loans or grants totaling \$1.6 million in this assessment area during the current evaluation period. The majority of these loans were made through the Fannie Mae HomeReady program. This loan program is designed to assist low- and moderate-income households in purchasing a home. The loans require a down payment as low as three percent and offer competitive interest rates for those who would not typically qualify for low rates. The following table provides additional information.

Innovative or Flexible Lending Programs – Missouri Non-MSA										
Type of Program	2019		2020		2021		2022		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Federal Housing Administration	-	-	-	-	-	-	1	177	1	177
Fannie Mae HomeReady	5	367	2	146	5	477	-	-	12	990
Fannie Mae Community Seconds	2	120	2	146	1	60	-	-	5	326
Fannie Mae RefiNow	-	-	-	-	-	-	-	-	0	0
Veterans Administration	1	53	-	-	-	-	-	-	1	53
USDA Guaranteed Rural Housing	-	-	-	-	-	-	-	-	0	0
FarmerMac	-	-	-	-	-	-	-	-	0	0
FHLB Down Payment Plus Grant	2	11	2	12	1	6	-	-	5	29
UCB Credit Builder	-	-	-	-	-	-	-	-	0	0
Totals	10	551	6	304	7	543	1	177	24	1,575
<i>Source: Bank Records</i>										

Community Development Loans

UCB originated one qualified community development loan in this assessment area during the current evaluation period. The bank originated a \$1.4 million dollar loan as part of the PPP program to a local business that employs a large number of low- and moderate-income individuals in the area. The PPP loan program helped businesses continue to pay employees during the pandemic. As mentioned previously, the bank operates one branch in this assessment area in a middle-income tract. Additionally, there is significant competition in the sole moderate-income tract. This limits the ability to originate qualified community development loans in the Missouri Non-MSA. Discussions with management indicate that the bank is actively seeking qualified community development loans in this newly designated assessment area.

INVESTMENT TEST

A “Low Satisfactory” rating is assigned under the Investment Test for this assessment area. This conclusion was determined by evaluating the investment and grant activity, its responsiveness to credit and community development needs, and use of innovative and complex investments to support community development initiatives. For this performance test, more weight is placed on the investment and grant activity criterion.

Investment and Grant Activity

UCB made two qualified investments totaling \$1.4 million and twenty qualified donations totaling \$28,000 in this assessment area during the current evaluation period. Both of the qualified community development investments were for the purchase of general obligation bonds to a local school district in which more than one half of the students qualify for free or reduced lunches. Qualified donations benefited community service organizations and supported an economic development organization. Highlights include multiple donations to local food pantries that serve low- and moderate-income individuals in the assessment area and two donations to a local economic development council. Community development investment opportunities are limited in the assessment area as there is only one moderate-income tract. Discussions with management indicated that the bank is actively seeking investments and donations that benefit low- and moderate-income individuals in this assessment area.

Qualified Investments – Missouri Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	-	-	-	-	-	-	-	-	0	0
2/19/2019 – 12/31/2019	-	-	-	-	-	-	-	-	0	0
2020	-	-	2	1,360	-	-	-	-	2	1,360
2021	-	-	-	-	-	-	-	-	0	0
Total	0	0	2	1,360	0	0	0	0	2	1,360
Qualified Grants & Donations	-	-	18	20	2	8	-	-	20	28
Total	0	0	20	1,380	2	8	0	0	22	1,388

Source: Bank Records

Responsiveness to Credit and Community Development Needs

UCB exhibits adequate responsiveness to credit and community economic development needs in the assessment area. The bank made donations that support qualified community services and economic development of the area. In addition, the bank purchased qualified investments supporting community service. These donations and investments support the community development needs identified in this assessment area.

Community Development Initiatives

The institution occasionally uses innovative or complex investments to support community development initiatives in this assessment area. The investments and grants noted above are useful and help promote community development; however, they are generally, not innovative or complex by nature.

SERVICE TEST

The service test is rated “High Satisfactory” for this assessment area. This conclusion was determined by evaluating the accessibility of delivery systems, changes in branch locations, reasonableness of business hours and services in meeting assessment area needs, and community development services. For this performance test, more weight is afforded to the community development services criterion.

Accessibility of Delivery Systems

The bank’s delivery systems are reasonably accessible to essentially all portions of the assessment area.

Changes in Branch Locations

To the extent changes have been made, the bank’s opening of branches has increased the accessibility of its delivery systems. The bank’s sole branch in this assessment area was a result of

an acquisition in 2019 and is located in a middle-income tract. There were no branches or ATMs closed in this assessment during the review period.

Reasonableness of Business Hours and Services

Services, including business hours, do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies or individuals. Overall, branch hours are considered convenient and comparable to other financial institutions in the area.

Community Development Services

UCB provides a relatively high level of community development services. The bank provided 148 community development services to 11 different organizations in the Missouri Non-MSA during the current review period. Of the 148 services, 137 were to support organizations that provide essential community services to low- and moderate-income individuals and ten were to support economic development.

The following table provides additional information.

Community Development Services – Missouri Non-MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2019	0	0	2	0	2
2020	0	71	2	1	74
2021	0	66	6	0	72
Total	0	137	10	1	148
<i>Source: Bank Records</i>					

Notable examples of community development services provided during the current review period are listed below:

- Bank employee serves as board member of an economic development organization. In this capacity, the employee is responsible for managing the organization’s budget and attracting and/or retaining local businesses.
- A bank employee served 48 hours as a financial literacy advisor to a multitude of low- and moderate-income individuals at a low-income housing establishment and local food pantry.

Overall, UCB employees have sought opportunities to provide their financial or technical expertise to organizations that strive to meet the definition of community development. The bank has demonstrated adequate responsiveness to community development needs through its services activity.

APPENDICES

LARGE 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) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

SCOPE OF EVALUATION			
TIME PERIOD REVIEWED	January 1, 2020 through December 31, 2021		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
United Community Bank			Small Business, Home Mortgage Small Farm Community Development
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None			

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Springfield MSA	Full-Scope	None	None
Illinois Non-MSA	Full-Scope	None	None
St. Louis MO-IL MSA	Full-Scope	None	None
Bloomington MSA	Limited-Scope	None	None
Missouri Non-MSA	Full-Scope	None	None

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Springfield MSA	High Satisfactory	High Satisfactory	High Satisfactory	High Satisfactory
Illinois Non-MSA	High Satisfactory	High Satisfactory	High Satisfactory	High Satisfactory
St. Louis MO-IL MSA	High Satisfactory	Low Satisfactory	Low Satisfactory	High Satisfactory
Bloomington MSA	Needs to Improve	Needs to Improve	Needs to Improve	Needs to Improve
Missouri Non-MSA	Low Satisfactory	Low Satisfactory	High Satisfactory	Low Satisfactory

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 (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, 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 (for example, 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.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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.