Office of the
Comptroller of the Currency
Washington, DC 20219

SMALL BANK

PUBLIC DISCLOSURE

July 15, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chester National Bank
Charter Number 23158

1112 State Street
Chester, IL 62233

Office of the Comptroller of the Currency

500 North Broadway, Suite 1700
St. Louis, MO 63102

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

Contents

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding.**

The Lending Test is rated: Outstanding.

The Lending Test rating is based on Chester National Bank's (CNB or the bank) performance in the state of Illinois and the state of Missouri. The major factors that support this rating include:

- CNB's loan-to-deposit (LTD) ratio is reasonable based on the bank's size, financial condition, and level of local competition.
- A substantial majority of the bank's loans originated inside its assessment areas (AA).
- The distribution of loans to borrowers of different income levels is excellent.
- The bank received no CRA-related complaints during the evaluation period.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is reasonable. CNB's quarterly LTD ratio averaged 68.6 percent over the 20-quarter period ending December 31, 2024. Over the same period, the LTD ratio ranged from a low of 53.6 percent to a high of 82.9 percent. The bank carries a significant deposit concentration with a local business, averaging approximately $45 million over the evaluation period, significantly deflating the LTD ratio at times.

To assess the bank's performance, we compared the bank's average LTD ratio to local Federal Deposit Insurance Corporation (FDIC) insured financial institutions, which includes eight banks with branches in the local area. The eight banks had total assets ranging from $61.5 million to $319.2 million with a combined average LTD ratio of 52.4 percent over the same evaluation period. The lowest individual average was 30.4 percent, while the highest individual average was 76.6 percent. CNB ranked second out of nine when comparing the average LTD ratios. The table below lists similarly situated institutions, including CNB, with the corresponding average LTD ratios.

Loan-to-Deposit Ratio		**2020-2024**
Institution	**Total Assets ($000s) as of 03/31/2025**	**Average Quarterly LTD Ratio**
Peoples Bank of Altenburg	$108,307	76.6
Chester National Bank	**$101,339**	**68.6**
Murphy-Wall State Bank and Trust Company	$203,145	65.3
Buena Vista National Bank	$319,243	61.5
First National Bank of Steeleville	$271,222	49.1
The First National Bank of Sparta	$105,627	49.0
North County Savings Bank	$61,530	44.9
First National Bank in Pinckneyville	$136,146	42.5
Du Quoin State Bank	$140,848	30.4
Source: Quarterly FFIEC Call Reports 01/01/2020 - 12/31/2024		

Lending in Assessment Area

A substantial majority of the bank's loans were inside its AAs. The bank originated 87.5 percent of its total number of loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										**2022-2024**
Loan Category	**Number of Loans**				**Total #**	**Dollar Amount of Loans $(000s)**				**Total $(000s)**
	Inside		**Outside**			**Inside**		**Outside**		
	#	**%**	**#**	**%**		**$**	**%**	**$**	**%**	
Home Mortgage	17	85	3	15	20	1,857	69.8	805	30.2	2,662
Consumer	18	90	2	10	20	189	90	21	10	210
Total	**35**	**87.5**	**5**	**12.5**	**40**	**2,046**	**71.2**	**826**	**28.8**	**2,872**

Source: 01/01/2022 - 12/31/2024 Bank Data.
Due to rounding, totals may not equal 100.0%

Description of Institution

Chester National Bank is a nationally chartered, interstate bank headquartered in Chester, Illinois. The bank wholly owned by Chester Bancorp, Inc., a one-bank holding company. The bank has three locations, two located in Chester and Sparta, which are both within Randolph County, Illinois, and the third in Perryville, which is within Perry County, Missouri. The bank additionally has one non-deposit taking automated teller machine at the main location in Chester. There were no affiliate or subsidiary activities considered in this evaluation. CNB has not opened or closed any branches since the prior performance evaluation and there have been no major changes in the bank's corporate structure, including merger or acquisition activities.

As of December 31, 2024, CNB reported total assets of $97.8 million, total deposits of $91.3 million, and tier 1 capital of $6.4 million representing 15.6 percent of total risk weighted assets. The bank's total loans were $49.4 million, representing 50.5 percent of total assets. The portfolio includes $42.8 million in residential loans (86.6 percent), $4.9 million in commercial loans (10 percent), and $1.7 million in consumer loans (3.4 percent). There are no agricultural production or agricultural real estate loans.

The bank is primarily a mortgage and consumer lender offering traditional loan products for commercial, consumer, and residential purposes in the bank's AA. Retail loan products include home mortgages, home equity loans, construction and lot loans, personal loans, and automobile loans. Business loan products include commercial real estate loans, working capital, and equipment loans. Deposit products consist of checking, savings, Christmas club accounts, money market accounts, certificates of deposit, and individual retirement accounts.

For CRA purposes, CNB identified one AA in the state of Illinois and one AA in the state of Missouri. The AA in Illinois consists of 10 census tracts (CT) wholly encompassing Randolph County, which is not located in a Metropolitan Statistical Area (non-MSA). The AA in Missouri consists of five CTs and wholly encompasses Perry County, which is also a non-MSA. There are no low- or moderate-income (LMI) CTs within either of the bank's AAs. Both AAs are unchanged from the previous CRA evaluation. The AAs conform to regulatory requirements and do not arbitrarily exclude any LMI geographies. Refer to Appendix A for further details on the bank's AAs.

The bank's last CRA evaluation was dated March 9, 2020. Utilizing Small Bank CRA examination procedures, the OCC concluded that CNB's overall performance was "Outstanding", with "Outstanding" performance in the state of Illinois and the state of Missouri. There are no legal, financial, or other factors impeding CNB's ability to meet the credit needs of its AAs.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The scope of this evaluation includes an assessment of CNB under the Small Bank performance criteria, which consists of the Lending Test. The Lending Test evaluates the bank's record of meeting the credit needs of its AAs through lending activities. The period for this evaluation covers January 1, 2022 to December 31, 2024. We used demographic information from the 2020 U.S. Census to analyze performance throughout the entire evaluation period.

Examiners determined CNB's primary loan product by reviewing the number and dollar volume of loan originations during the evaluation period. Consumer and mortgage loans were the primary products in both of the bank's AAs. Examiners randomly selected initial samples of 20 consumer loans and 20 mortgage loans for a total sample of 40 loans. Additional loans were selected as needed to have sufficient information to analyze borrower distributions within the AA.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated AAs located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA), if applicable are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

CNB's overall rating is based on performance in the states of Illinois and Missouri. We placed more weight on the performance in the state of Illinois given 90 percent of the bank's total deposits originated in Illinois. State ratings are derived from the bank's observed performance under the CRA small bank Lending Test, as well as related context information from the bank's AAs. With the exception of the LTD ratio (based on the bank's entire lending portfolio), all weight for performance under the CRA small bank Lending Test was based on the bank's lending performance in relation to its primary products of consumer and mortgage loans in each AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) (March 29, 2024) in determining a national banks or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of Illinois

CRA rating for the State of Illinois: Outstanding.

The Lending Test is rated: Outstanding.

The major factors that support this rating include:

- A substantial majority of the bank's loans originated inside its AA.
- CNB exhibits an excellent distribution of loans to borrowers of different income levels.
- CNB did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Illinois

CNB has one AA in the state of Illinois consisting of ten CTs fully encompassing Randolph County within the IL non-MSA. There are no LMI CTs in the AA as all CTs were designated either middle income (80 percent) or upper income (20 percent) throughout the entire evaluation period. The bank operates two full-service locations in the AA including the main location in Chester, Illinois and a branch in Sparta, Illinois. There is one non-deposit taking ATM located at the main location in Chester.

Competition

Competition for deposits is moderate amongst financial institutions within the area. According to the June 30, 2024, FDIC Deposit Market Share Report, the bank's deposits in the AA totaled $63.5 million representing 90.2 percent of the bank's total deposits. Randolph County has a total of eight deposit-taking institutions operating 21 branches. CNB ranked fifth in the AA with a deposit market share of 6.3 percent. Dieterich Bank, Buena Vista National Bank, and First National Bank of Steeleville lead with deposit market shares of 25.7 percent, 21.9 percent, and 20.8 percent, respectively. The bank's major competitors each operate three or more branches in the market area, increasing competition for deposits. Additionally, management noted increased competition from non-banking institutions such as financial service and investment companies.

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS) data, the unemployment rate in Randolph County ranged from a low of 4 percent in 2022 to a high of 4.3 percent in 2024. The unemployment rates for both the state of Illinois and Randolph County remained elevated compared to the national average throughout the entire evaluation period.

Annual Unemployment Rates – Illinois non-MSA			2022-2024
Area	**2022**	**2023**	**2024**
Randolph County	4.0%	4.2%	4.3%
State of Illinois	4.6%	4.5%	5.0%
National	3.6%	3.6%	4.0%
Source: U.S. Department of Labor: Bureau of Labor Statistics			

Based on Federal Financial Institutions Examination Council (FFIEC) data in the table below, low-income families in the AA earned less than $38,050 (2022) and up to $41,400 (2024), while moderate-income families earned from $38,050 (2022) to $66,240 (2024).

Median Family Income Ranges – Illinois non-MSA				2022-2024
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
IL Non-MSA Median Family Income (99999)				
2022 ($76,100)	<$38,050	$38,050 to <$60,880	$60,880 to <$91,320	≥ $91,320
2023 ($82,300)	<$41,150	$41,150 to <$65,840	$65,840 to <$98,760	≥ $98,760
2024 ($82,800)	<$41,400	$41,400 to <$66,240	$66,240 to <$99,360	≥ $99,360
Source: FFIEC				

The AA economy is diverse and not heavily dependent on one major industry. Based on 2020 U.S Census business demographic data, the primary industries in the area include education, health care, and social assistance (26.2 percent), manufacturing (15.4 percent), and retail trade (10.3 percent). Major employers in the area include Gilster-Mary Lee, Memorial Hospital, local school districts, Menard Correctional Center, and Chester Mental Health Center.

Demographics

The following table provides a summary of the demographics, including housing and business information for the AA throughout the entire evaluation period.

Assessment Area - 2024 Illinois non-MSA						
						2022 - 2024
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.00	0.00	80.00	20.00	0.00
Population by Geography	30,163	0.00	0.00	81.21	18.79	0.00
Housing Units by Geography	13,951	0.00	0.00	90.29	9.71	0.00
Owner-Occupied Housing by Geography	8,848	0.00	0.00	88.46	11.54	0.00
Occupied Rental Units by Geography	3,199	0.00	0.00	93.31	6.69	0.00
Vacant Units by Geography	1,904	0.00	0.00	93.75	6.25	0.00
Businesses by Geography	845	0.00	0.00	93.14	6.86	0.00
Farms by Geography	116	0.00	0.00	83.62	16.38	0.00
Family Distribution by Income Level	7,875	18.31	17.05	21.79	42.84	0.00
Household Distribution by Income Level	12,047	22.54	14.76	18.48	44.23	0.00
Unemployment rate (%)	4.38	0.00	0.00	4.30	5.04	0.00
Households Below Poverty Level (%)	11.60	0.00	0.00	12.11	7.21	0.00
Median Family Income (Non-MSAs - IL)		$67,835			Median Housing Value	$103,600
Median Family Income (Non-MSAs - IL) for 2024		$82,800			Median Gross Rent	$682
					Families Below Poverty Level	8.58

FFIEC File - 2024 Census
2024 Dun & Bradstreet SBSF Demographics
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification

Geographic Distribution of the Population

According to the table above, the population in the bank's AA was 30,163 with 24,495 (81.2 percent) of the population residing in middle-income CTs and 5,668 (18.8 percent) of the population residing in upper-income CTs. Randolph County did not have any LMI CTs during this evaluation period.

Family Distribution by Income Level

According the 2020 U.S. Census data, there were 7,875 families in the AA. The distribution of families by income level was 1,442 (18.3 percent) low income, 1,343 (17.1 percent) moderate income, 1,716 (21.8 percent) middle income, and 3,374 (42.8 percent) upper income. The percentage of families living below the poverty level was 8.6 percent.

Household Distribution by Income Level

According to the same data, there were 12,047 households in the bank's AA. Approximately 2,715 (22.5 percent) of those households were low income, 1,778 (14.8 percent) were moderate income, 2,226 (18.5 percent) were middle income, and 5,328 (44.2 percent) were upper income. The percentage of households in the AA living below the poverty lines was 11.6 percent.

Housing Characteristics

The 2024 Dun & Bradstreet SBSF Demographic data reported total housing units of 13,951 in the AA. Of the total number of housing units, 8,848 (63.4 percent) are owner occupied, 3,199 (22.9 percent) are renter occupied, and 1,904 (13.6 percent) are vacant. There are no housing units located in LMI CTs. The same data indicates that the average median housing value is $103,600 and the average monthly gross rent is $682.

Assuming a 30-year mortgage with a six and half percent interest, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional expenses, a low-income borrower making

$41,400 (or less than 50 percent of the 2024 FFIEC adjusted median family income in the AA) could afford a $163,748 mortgage with a monthly payment of $1,035. A moderate-income borrower earning $66,240 (or less than 80 percent of the 2024 FFIEC adjusted median family income in the AA) could afford a $261,997 mortgage with a monthly payment of $1,656. The median housing value in the AA was $103,600 according to FFIEC data indicating that LMI borrowers would be within the range to qualify for a mortgage loan in the AA.

Community Contacts

We reviewed two community contacts completed over the evaluation period for similarly situated banks within the bank's AA. Both contacts identified a housing supply shortage in relation to demand as a primary barrier to lending in the area. Increases in interest rates have slowed new home construction, and many homes available in the AA are older and in need of repairs. The contacts also noted lack of collateral and creditworthiness as barriers to lending, while the primary needs of the community include credit counseling and down payment assistance programs.

Scope of Evaluation in Illinois

The IL non-MSA AA received a full-scope review. Refer to Appendix A for more information.

LENDING TEST

The bank's performance under the Lending Test in Illinois is rated Outstanding.

Based on a full-scope review, the bank's performance in the state of Illinois was excellent.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans analysis or lending gap analysis were not meaningful as CNB's entire AA consists of middle- and upper-income CTs.

Distribution of Loans by Income Level of the Borrower

The bank exhibited an excellent distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table 8 in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

The bank's distribution of home mortgage loans to borrowers of different income levels is excellent.

The proportion of the bank's home mortgage loans to low-income borrowers exceeded the percentage of low-income families and significantly exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers exceeded the percentage of moderate-income families and was near to the aggregate industry distribution of home mortgage loans to those borrowers.

Consumer Loans

Refer to Table 14 in the state of Illinois section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations.

The bank's distribution of consumer loans to borrowers of different income levels is excellent.

The proportion of the bank's consumer loans to low-income borrowers significantly exceeded the percentage of low-income households. The proportion of the bank's consumer loans to moderate-income borrowers significantly exceeded the percentage of moderate-income households.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

State Rating

State of Missouri

CRA rating for the State of Missouri: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- A substantial majority of the bank's loans originated inside its AA.
- CNB exhibits a reasonable distribution of loans to borrowers of different income levels.
- CNB did not receive any CRA related complaints during the evaluation period.

Description of Institution's Operations in Missouri

CNB has one AA in the state of Missouri consisting of five CTs, fully encompassing Perry County within the MO non-MSA. There were no LMI CTs in the AA as all CTs were designated either middle income (20 percent) or upper income (80 percent) throughout the entire evaluation period. The bank operates one full-service location in Perryville, Missouri.

Competition

Competition for deposits is high amongst financial institutions within the area. According to the June 30, 2024, FDIC Deposit Market Share Report, the bank's deposits in the AA totaled $6.9 million representing just 9.8 percent of the bank's total deposits. Perry County has a total of seven deposit-taking institutions operating nine branches. CNB ranked seventh in the AA with a deposit market share of 0.9 percent. The Bank of Missouri, First State Community Bank, and U.S. Bank, N.A. lead with deposit market shares of 61.1 percent, 13.1 percent, and 8.4 percent, respectively. CNB faces heightened competition for deposits due to the size and resources of other financial institutions, despite a comparable branch presence in the AA. Additionally, the top three deposit-taking institutions maintain a dominant position in the deposit market, holding a combined share of 82.6 percent.

Employment and Economic Factors

According to BLS data, the unemployment rate in Perry County remained well below both the national average and the state of Missouri average throughout the entire evaluation period. The Perry County unemployment rate ranged from a low of 2.2 percent in 2022 to a high of 3.1 percent in 2024.

Annual Unemployment Rates – Missouri non-MSA			2022-2024
Area	**2022**	**2023**	**2024**
Perry County	2.2%	2.6%	3.1%
State of Missouri	2.6%	3.1%	3.7%
National	3.6%	3.6%	4.0%
Source: U.S. Department of Labor: Bureau of Labor Statistics			

Based on information in the table below, low-income families in the AA earned less than $31,750 (2022) and up to $35,500 (2023), while moderate-income families earned from $31,750 (2022) to $56,800 (2023).

Median Family Income Ranges – Missouri non-MSA				2022-2024
Median Family Incomes	**Low <50%**	**Moderate 50% to <80%**	**Middle 80% to <120%**	**Upper ≥120%**
MO Non-MSA Median Family Income (99999)				
2022 ($63,500)	<$31,750	$31,750 to <$50,800	$50,800 to <$76,200	≥$76,200
2023 ($71,000)	<$35,500	$35,500 to <$56,800	$56,800 to <$85,200	≥$85,200
2024 ($70,600)	<$35,300	$35,300 to <$56,480	$56,480 to <$84,720	≥$84,720
Source: FFIEC				

The AA economy is diverse and not heavily dependent on one major industry. Based on 2020 U.S. Census business demographic data, the primary industries in the area include education, health care, and social assistance (23.4 percent), manufacturing (22.3 percent), and retail trade (11 percent). Major employers in the area include TG Missouri Corporation, Gilster-Mary Lee, Mercy Hospital, local school districts, and Walmart.

Demographics

The following table provides a summary of the demographics, including housing and business information for the AA throughout the entire evaluation period.

Assessment Area - 2024 Missouri non-MSA						
						2022 - 2024
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**NA* % of #**
Geographies (Census Tracts)	5	0.00	0.00	20.00	80.00	0.00
Population by Geography	18,956	0.00	0.00	19.97	80.03	0.00
Housing Units by Geography	8,815	0.00	0.00	19.66	80.34	0.00
Owner-Occupied Housing by Geography	5,575	0.00	0.00	16.90	83.10	0.00
Occupied Rental Units by Geography	2,002	0.00	0.00	33.37	66.63	0.00
Vacant Units by Geography	1,238	0.00	0.00	9.94	90.06	0.00
Businesses by Geography	857	0.00	0.00	22.17	77.83	0.00
Farms by Geography	144	0.00	0.00	17.36	82.64	0.00
Family Distribution by Income Level	5,037	11.91	15.98	19.56	52.55	0.00
Household Distribution by Income Level	7,577	17.14	13.90	16.47	52.49	0.00
Unemployment rate (%)	4.31	0.00	0.00	5.48	4.05	0.00
Households Below Poverty Level (%)	9.40	0.00	0.00	20.37	6.44	0.00
Median Family Income (Non-MSAs - MO)		$56,957			**Median Housing Value**	$150,900
Median Family Income (Non-MSAs - MO) for 2024		$70,600			**Median Gross Rent**	$713
					Families Below Poverty Level	5.62

FFIEC File - 2024 Census
2024 Dun & Bradstreet SBSF Demographics
Due to rounding, totals may not equal 100.0%
(*) The NA category consists of geographies that have not been assigned an income classification

Geographic Distribution of the Population

According to the table above, the population in the bank's AA was 18,956 with 3,786 (20 percent) of the population residing in middle-income CTs and 15,170 (80 percent) of the population residing in upper-income CTs. Perry County did not have any LMI CTs during this evaluation period.

Family Distribution by Income Level

According the 2020 U.S. Census data, there were 5,037 families in the AA. The distribution of families by income level was 600 (11.9 percent) low income, 805 (16 percent) moderate income, 985 (19.6 percent) middle income, and 2,647 (52.5 percent) upper income. The percentage of families living below the poverty level was 8.6 percent.

Household Distribution by Income Level

According to the same data, there were 7,577 households in the bank's AA. Approximately 1,299 (17.1 percent) of those households were low income, 1,053 (13.9 percent) were moderate income, 1,248 (16.5 percent) were middle income, and 3,977 (52.5 percent) were upper income. The percentage of households in the AA living below the poverty lines was 9.4 percent.

Housing Characteristics

The 2024 Dun & Bradstreet SBSF Demographic data reported total housing units of 8,815 in the AA. Of the total number of housing units, 5,575 (63.2 percent) are owner occupied, 2,002 (22.7 percent) are renter occupied, and 1,238 (14 percent) are vacant. There are no housing units located in LMI CTs. The same data indicates that the average median housing value is $150,900 and the average monthly gross rent is $713.

Assuming a 30-year mortgage with a six and half percent interest, and not accounting for down payment, homeowners' insurance, real estate taxes, or any additional expenses, a low-income borrower making $35,300 (or less than 50 percent of the 2024 FFIEC adjusted median family income in the AA) could afford a $139,621 mortgage with a monthly payment of $882.5. A moderate-income borrower earning $56,480 (or less than 80 percent of the 2024 FFIEC adjusted median family income in the AA) could afford a $223,393 mortgage with a monthly payment of $1,412. The median housing value in the AA was $150,900 according to FFIEC data indicating that housing is not affordable for low-income borrowers but is marginally affordable for moderate-income borrowers before factoring in additional costs.

Community Contacts

We completed one community contact with a representative from a non-profit serving the bank's assessment area. Our contact noted that the primary barriers to credit include a combination of low housing supply, low credit scores, and increasing rental costs, while the primary credit needs include first time homebuyer and low-income housing programs. Our contact noted that while there is opportunity for increased participation from financial institutions in the area, there are no complaints or discriminatory practices identified.

Scope of Evaluation in Missouri

The MO non-MSA AA received a full-scope review. Refer to Appendix A for more information.

LENDING TEST

The bank's performance under the Lending Test in Missouri is rated Satisfactory.

Based on a full-scope review, the bank's performance in the state of Missouri was good.

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans analysis or lending gap analysis were not meaningful as CNB's entire AA consists of middle- and upper-income CTs.

Distribution of Loans by Income Level of the Borrower

The bank exhibited a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table 8 in the state of Missouri section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

The bank's distribution of home mortgage loans to borrowers of different income levels is reasonable.

The proportion of the bank's home mortgage loans to low-income borrowers was near to the percentage of low-income families and significantly exceeded the aggregate industry distribution of home mortgage loans to those borrowers. The proportion of the bank's home mortgage loans to moderate-income borrowers was well below the percentage of moderate-income families and the aggregate industry distribution of home mortgage loans to those borrowers. Existing competition and affordability challenges within the AA adversely impacted the distribution to moderate-income borrowers.

Consumer Loans

Refer to Table 14 in the state of Missouri section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations.

The bank's distribution of consumer loans to borrowers of different income levels is excellent.

The proportion of the bank's consumer loans to low-income borrowers exceeds the percentage of low-income households. The proportion of the bank's consumer loans to moderate-income borrowers exceeds the percentage of moderate-income households.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

Appendix A: Scope of Examination

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

Time Period Reviewed:	01/01/2022 to 12/31/2024	
Bank Products Reviewed:	Home Mortgage, Consumer Loans	
Affiliate(s)	**Affiliate Relationship**	**Products Reviewed**
Not Applicable	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	**Type of Exam**	**Other Information**
Illinois		
Illinois non-MSA	Full scope	AA includes the entirety of Randolph County
Missouri		
Missouri non-MSA	Full scope	AA includes the entirety of Perry County

Appendix B: Summary of MMSA and State Ratings

RATINGS	
Overall Bank:	**Lending Test Rating**
Chester National Bank	Outstanding
State:	
Illinois	Outstanding
Missouri	Satisfactory

Appendix C: Definitions and Common Abbreviations

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

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

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/AA.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of $1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

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

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

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

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

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

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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

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

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

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

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

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

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

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

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

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

Multistate Metropolitan Statistical Area (MMSA): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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.

Prior Period Investments: Investments made in a previous evaluation period that are outstanding as of the end of the evaluation period.

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

Rating Area: A rated area is a state or multistate metropolitan statistical 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 statistical area, the institution will receive a rating for the multistate metropolitan statistical area.

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

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

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Unfunded Commitments: Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) "aggregate" is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table 8. **Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/AA. The table also presents aggregate peer data for the years the data is available.

Table 14. **Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/AA.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Randolph County AA

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2022 - 2024
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
	#	$	% of Total Number	Overall Market	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	% Families	% Bank Loans	% Aggregate	
2022 - 2024 Illinois Non-MSA	20	1,348	100	910	18.31	20.0	12.42	17.05	25.0	25.27	21.79	20.0	24.07	42.84	35.0	25.60	0.0	0.0	12.64	
Total	**20**	**1348**	**100**	**910**	**18.31**	**20.0**	**12.42**	**17.05**	**25.0**	**25.27**	**21.79**	**20.0**	**24.07**	**42.84**	**35.0**	**25.60**	**0.0**	**0.0**	**12.64**	

Source: FFIEC File - 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, 2022, 2023, -- HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Table 14: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower														2022 - 2024
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	$	% of Total Number	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
2022 - 2024 Illinois Non-MSA	20	144	100	22.54	60.0	14.76	30.0	18.48	5.0	44.23	5.0	0.0	0.0	
Total	**20**	**144**	**100**	**22.54**	**60.0**	**14.76**	**30.0**	**18.48**	**5.0**	**44.23**	**5.0**	**0.0**	**0.0**	

Source: FFIEC File - 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Perry County AA

Table 8: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower													2022 - 2024
Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	$	% of Total Number	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2022 - 2024 Missouri Non-MSA	20	5,557	100.0	17.14	25.0	13.90	20.0	16.47	20.0	52.49	35.0	0.0	0.0
Total	**20**	**5,557**	**100.0**	**17.14**	**25.0**	**13.90**	**20.0**	**16.47**	**20.0**	**52.49**	**35.0**	**0.0**	**0.0**

Source: FFIEC File - 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, "--" data not available.

Due to rounding, totals may not equal 100.0%

Table 14: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2022 - 2024
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers	
	#	$	% of Total Number	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
2022 - 2024 Missouri Non-MSA	20	293	100.0	17.14	25.0	13.90	20.0	16.47	20.0	52.49	35.0	0.0	0.0
Total	**20**	**293**	**100.0**	**17.14**	**25.0**	**13.90**	**20.0**	**16.47**	**20.0**	**52.49**	**35.0**	**0.0**	**0.0**

Source: FFIEC File - 2024 Census; 1/1/2022 - 12/31/2024 Bank Data, "--" data not available.

Due to rounding, totals may not equal 100.0%