



PUBLIC DISCLOSURE

December 2, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Farmers National Bank of Griggsville
Charter Number 14466

112 West Quincy Street
Griggsville, Illinois 62340

Office of the Comptroller of the Currency

211 Fulton Street
Suite 604
Peoria, Illinois, 61602

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

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Overall CRA Rating

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

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable borrower distribution.
- A majority of loans are originated and purchased inside the assessment area (AA).
- The loan-to-deposit (LTD) ratio is more than reasonable.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

The quarterly average LTD ratio was 87.4 percent for the 14-period between September 30, 2020, and December 31, 2023. Over the period, the bank's LTD ratio ranged between a low of 80.3 percent and a high of 98.0 percent.

The bank ranked first out of four similarly situated Federal Deposit Insurance Corporation (FDIC) insured institutions that compete with the bank for deposits in the AA. The comparable institutions range in total asset size from \$126.0 million to \$316.9 million and reported quarterly average LTD ratios from 72.1 percent to 83.6 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and purchased 70.0 percent of its total loans inside the bank's AA during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Farm	14	70.0	6	30.0	20	2,006	61.8	1,237	38.2	3,243
Total	14	70.0	6	30.0	20	2,006	61.8	1,237	38.2	3,243

Source: random sample of farm loans from January 1, 2021, through December 31, 2023.

Description of Institution

Farmers National Bank of Griggsville (FNBG or bank) is an intrastate financial institution headquartered in Griggsville, Illinois with total assets of \$139.8 million at December 31, 2023. The bank is wholly owned by Griggsville Bancshares, Inc., a one-bank holding company. FNBG has no affiliates or subsidiaries.

FNBG has one rating area. The state of Illinois rating area consists of one legal AA comprised of two non-metropolitan statistical area (Non-MSA) counties, Pike County and Brown County.

FNBG has three locations, including the main office, and six automated teller machines (ATMs). Two of the offices are located in Pike County, and one office is located in Brown County. The branches offer drive-thru services and additional banking hours on Saturday. The bank provides additional banking access to customers through internet and mobile platforms. There were no branch openings or closings during the evaluation period.

FNBG is primarily an agricultural lender by strategic focus. Agricultural loans represent the largest portfolio at \$70.2 million, followed by residential at \$22.7 million, commercial at \$15.1 million, and consumer at \$9.3 million, per call report data as of December 31, 2023. Please see the Public File for more information.

The bank reported a net loans and leases to total assets ratio of 82.8 percent and leverage ratio of 10.4 percent at December 31, 2023.

There are no legal or financial circumstances that impede the bank's ability to meet the credit needs of its AA.

The previous CRA rating, which the Office of the Comptroller of the Currency (OCC) determined using the Small Bank evaluation procedures, was Satisfactory, as detailed in the Performance Evaluation (PE) dated September 14, 2020.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period covers from the previous CRA evaluation date of September 14, 2020, through December 31, 2023. We evaluated the bank under the Small Bank evaluation procedures, which includes a Lending Test.

The Lending Test evaluated farm loans originated and purchased between January 1, 2021, and December 31, 2023. Farm loans originated and purchased in 2021 were compared to 2021 D&B Data, while farm loans originated and purchased in 2022 and 2023 were compared to 2023 D&B Data.

The primary loan product for the evaluation period was determined to be farm loans. The bank originated and purchased 3,765 loans with farm loans accounting for 57.0 percent by dollar volume, and 19.0 percent by number.

FNBG is not a reporter of small farm data. Performance conclusions are based on a sample of small farm loans, not full population, and are considered in context.

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 MSA,

multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) 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

The bank’s overall rating is based on the state rating for Illinois.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any 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 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 Illinois¹: Satisfactory.

The Lending Test is rated: Satisfactory.

The major factors that support this rating include:

- The bank exhibits a reasonable distribution of loans to farms of different sizes.
- FNBG did not receive any complaints about its performance in helping to meet the credit needs of its AA during the evaluation period.

Description of Institution's Operations in Illinois

The bank has one legal AA in the state of Illinois, the Non-MSA. The Non-MSA consists of seven census tracts (CTs), with five CTs in Pike County and two CTs in Brown County. There were no low- or moderate-income (LMI) CTs for the 2021 assessment period. There were no LMI CTs for the 2022 and 2023 assessment period. The geographies were all middle-income tracts, with one upper-income tract in both assessment periods.

The bank serves its customers through three branch locations in the Non-MSA. Two branches have an ATM, with four additional ATMs not located in a branch. Each branch is open Monday through Friday with additional banking hours on Saturday. The branches provide drive-thru services.

Major employment sectors in the Non-MSA include health care, retail trade services, manufacturing, educational services, and agriculture, per the Illinois Department of Commerce. Major employers include Pikeland Community School District, Illini Community Hospital, and the Illinois Department of Corrections.

According to the U.S. Bureau of Labor Statistics, the annual unemployment rate in the state of Illinois was 6.1 percent for 2021 and then declined to 4.6 percent for 2022, and 4.5 percent for 2023. The two counties in the Non-MSA compared favorably to the state of Illinois in 2021. Pike County had comparable rates of unemployment for 2022 and 2023, while Brown County had favorable rates of unemployment.

FNBG sources 100.0 percent of its \$113.4 million in deposits from the Non-MSA in Illinois, per FDIC data as of June 30, 2023.

Competition for deposits and loans is moderate among financial institutions in the Non-MSA due to the number of financial institutions competing for loans and deposits in areas with small population centers. Competing banks include national and state banks. FNBG held a deposit market share position of 14.8 percent in the Non-MSA counties with \$113.4 million in deposits, per FDIC data as of June 30, 2023.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

The bank ranked fourth out of ten FDIC insured financial institutions competing for the areas \$767.5 million in deposits, as of June 30, 2023.

We obtained one community contact representing an organization that provides emergency and community services targeted to low-income families in Adams, Brown, Pike, and Schuyler counties. The contact described the economic condition of the area as stable. The contact commented the economy heavily relies on agriculture, transportation, and healthcare. The contact noted the greatest needs of the community include affordable housing and financial literacy and flexible programs for consumers. The contact noted no unmet banking needs of the area and had no negative perceptions of FNBG.

Illinois Non-MSA (2021)

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	85.7	14.3	0.0
Population by Geography	23,003	0.0	0.0	87.1	12.9	0.0
Housing Units by Geography	10,395	0.0	0.0	86.7	13.3	0.0
Owner-Occupied Units by Geography	6,759	0.0	0.0	86.7	13.3	0.0
Occupied Rental Units by Geography	2,058	0.0	0.0	86.4	13.6	0.0
Vacant Units by Geography	1,578	0.0	0.0	86.8	13.2	0.0
Businesses by Geography	1,306	0.0	0.0	92.6	7.4	0.0
Farms by Geography	228	0.0	0.0	89.5	10.5	0.0
Family Distribution by Income Level	5,643	19.9	22.1	20.9	37.0	0.0
Household Distribution by Income Level	8,817	24.5	19.0	18.8	37.7	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$79,173
			Median Gross Rent			\$514
			Families Below Poverty Level			8.9%
<i>Source: 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>						

Illinois Non-MSA (2022-2023)

Table A – Demographic Information of the Assessment Area						
Assessment Area: Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	7	0.0	0.0	85.7	14.3	0.0
Population by Geography	20,983	0.0	0.0	88.8	11.2	0.0
Housing Units by Geography	10,453	0.0	0.0	87.1	12.9	0.0
Owner-Occupied Units by Geography	6,569	0.0	0.0	85.6	14.4	0.0
Occupied Rental Units by Geography	1,779	0.0	0.0	92.3	7.7	0.0
Vacant Units by Geography	2,105	0.0	0.0	87.3	12.7	0.0
Businesses by Geography	1,579	0.0	0.0	91.6	8.4	0.0
Farms by Geography	263	0.0	0.0	88.2	11.8	0.0
Family Distribution by Income Level	5,143	21.8	17.5	21.4	39.3	0.0
Household Distribution by Income Level	8,348	27.8	16.5	16.0	39.7	0.0
Median Family Income Non-MSAs - IL		\$68,958	Median Housing Value			\$87,274
			Median Gross Rent			\$543
			Families Below Poverty Level			9.2%
<i>Source: 2020 U.S. Census and 2023 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>						

Scope of Evaluation in Illinois

The bank has one AA in the state of Illinois, which received a full-scope review. The distribution of loans by income level of the borrower received greater weight due to the absence of any low- or moderate-income geographies in both assessment periods.

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Non-MSA is reasonable.

Distribution of Loans by Income Level of the Geography

The analysis did not result in meaningful analysis, as there were no low- or moderate-income geographies in 2021, 2022, or 2023.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the bank.

Small Loans to Farms

Refer to Table T in the state of Illinois section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The distribution of small loans to farms is reasonable.

For 2021, the distribution of small loans to farms is excellent. The portion of lending to farms with revenues less than \$1 million was near to the percent of farms and exceeded aggregate distribution of all reporting lenders.

For 2022 through 2023, the distribution of small loans to farms is reasonable. The portion of lending to farms with revenues less than \$1 million was near to the percent of farms and exceeded the aggregate distribution of all reporting lenders.

Lending Gap Analysis

We performed a lending gap analysis that included a review of the distribution of sampled small farm loans. We did not identify any unexplained, conspicuous gaps in lending.

Responses to Complaints

The bank did not receive any complaints about its performance in helping to meet the credit needs of its AA during the evaluation period.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation 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:	January 1, 2021 – December 31, 2023	
Bank Products Reviewed:	Small Farm	
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State		
Illinois		
Non-MSA	Full-Scope	All CTs in Pike and Brown counties

Appendix B: Summary of State Rating

RATINGS		Farmers National Bank of Griggsville	
Overall Bank:		Lending Test Rating	
Overall		Satisfactory	
State:			
Illinois		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/assessment area.

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 investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. 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.

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

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

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

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/assessment area. 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 T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -
Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.

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.

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Non-MSA	26	3,858	100.0	199	98.7	92.3	71.9	0.9	7.7	0.4	0.0
Total	26	3,858	100.0	199	98.7	92.3	71.9	0.9	7.7	0.4	0.0

Source: 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022-2023
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
Non-MSA	25	2,989	100.0	134	98.8	80.0	62.7	0.8	20.0	0.4	0.0
Total	25	2,989	100.0	134	98.8	80.0	62.7	0.8	20.0	0.4	0.0

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

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.