



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

December 10, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Stillman BancCorp National Association
Charter Number 14369
101 East Main Street
Stillman Valley, IL 61084

Office of the Comptroller of the Currency
2001 Butterfield Road, Suite 400
Downers Grove, IL 60515

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 Outstanding.

The Lending Test is rated: Outstanding

The Community Development Test is rated: Outstanding

The Lending Test and Community Development Test ratings are based on Stillman BancCorp, National Association's (Stillman or the bank) performance in the state of Illinois. The major factors that support this rating include:

- Stillman's distribution of loans to individuals of different income levels within its assessment areas (AAs) is excellent.
- Stillman's combined community development (CD) loans, investments, and services exhibit excellent responsiveness to the CD needs of its AAs.
- Stillman's distribution of loans across geographies of different income levels within the AAs is reasonable.
- Stillman originated or purchased a majority of its loans inside its assessment areas (AAs).
- Stillman's average loan-to-deposit (LTD) ratio is reasonable.
- Stillman did not receive any Community Reinvestment Act (CRA) related complaints during the review period.

Loan-to-Deposit Ratio

Considering Stillman's size and financial condition, and the credit needs of its AA, the bank's LTD ratio is reasonable. The bank's average LTD ratio was 34.5 percent for the 12 quarters from January 1, 2021, to December 31, 2023. During this period, the bank's quarterly LTD ratio ranged from a low of 30.1 percent to a high of 38.9 percent. The bank's LTD ratio does not include the \$120 million in mortgage loans that it originated and sold on the secondary market during the evaluation period.

We compared the Stillman's average quarterly LTD ratio to the LTD ratios of four similarly situated federal and state banks headquartered in the AA, based on size, location, and lending opportunities. The similarly situated banks ranged in asset size from \$314.7 million to \$483.6 million and had a combined average quarterly LTD ratio of 68.7 percent during the same time period. Stillman's LTD ratio was the lowest in this group, but it is reasonable given the volume of mortgage loans that the bank originated and sold on the secondary market, and the strong competition in its market area.

Lending in Assessment Area

Stillman originated or purchased a majority of its loans inside its AA during the evaluation period. The bank originated or purchased 82.7 percent of its total loans inside its AA. This analysis is performed at the bank level rather than the AA level.

Table D - Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans					Dollar Amount of Loans				
	Inside		Outside		Total	Inside		Outside		Total
Home Mortgage 2021-2023	#	%	#	%	#	\$ (000s)	%	\$ (000s)	%	\$ (000s)
	932	82.7	209	18.3	1141	125,914	76	40,258	24	166,172

Source: 2021 – 2023 Home Mortgage Disclosure Act data.
Note: Due to rounding, totals may not equal 100.0%.

Description of Institution

Stillman is a full-service intrastate financial institution headquartered in Stillman Valley, Illinois, which is located approximately 15 miles southwest of Rockford, Illinois. The bank is a wholly-owned subsidiary of Stillman BancCorp, Incorporated, a one-bank holding company, and the bank does not have any affiliates or related organizations. The bank has two adjacent AAs in the state of Illinois: the Rochelle, IL Metropolitan Statistical Area (MSA), which includes Ogle County; and the Rockford, IL MSA, which covers Boone and Winnebago Counties. Along with its main branch in Stillman Valley, the bank has five other full-service branches located in Byron, Oregon, Rochelle, Rockford, and Roscoe, Illinois. Full-service 24-hour automated teller machines (ATMs) are available at each branch location, and the bank has 11 additional ATMs that only dispense cash and are located at local businesses. The bank offers conventional deposit and loan products, as well as mobile banking. There were no branch closures, new branch opening, mergers, or acquisitions during the evaluation period.

As of December 31, 2023, Stillman had \$580.0 million in assets, \$205.5 in gross loans, \$526.6 in total deposits, and \$56.9 million in tier 1 capital. The bank's primary lending product is residential mortgage loans, and the bank sells residential mortgage loans on the secondary market. Gross loans represented 35.4 percent of total assets, and the loan mix was 46.9 percent business and commercial real estate loans, 27.7 percent residential real estate loans, 22.7 percent farm and farmland loans, and 2.7 percent consumer loans.

Stillman's business strategy focuses on home mortgage, business, and farm lending. There are no known legal, financial, or other impediments limiting the bank's ability to help meet the credit needs of its AAs, including low- and moderate-income families and neighborhoods. The bank received a "Satisfactory" rating as a result of its last performance evaluation, dated October 4, 2021, under Intermediate Small Bank CRA examination procedures.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated Stillman's CRA performance using the Intermediate Small Bank CRA examination procedures, which include a Lending Test and CD Test. The Lending Test evaluated the bank's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluated the bank's responsiveness to CD needs in its AAs through qualified lending, investments, and services.

The evaluation period for this review January 1, 2021, through December 31, 2023. Based on our review of the number and dollar volume of loans that Stillman originated or purchased during the evaluation period, the bank's primary lending product is home mortgage loans. Our conclusions regarding Stillman's lending performance during the evaluation period are based on the bank's home mortgage lending, as reported on the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR). We validated the reliability of the 2021, 2022, and 2023 HMDA data during a prior examination.

Due to changes between the 2015 American Community Survey (ACS) and the 2020 U.S. Census, we performed separate analyses for 2021 and 2022-2023 in order to evaluate geographic distribution and borrower income criteria. Performance in Tables O and Table P in Appendix C reflect data from both time periods.

For analysis purposes, we compared Stillman's lending performance with the demographic data from the 2015 ACS and the 2020 U.S. Census, 2021 and 2023 HMDA aggregate peer data, 2021 and 2023 Dun and Bradstreet data, and Federal Deposit Insurance Corporation (FDIC) deposit market share data as of June 30, 2021, and June 30, 2023. No affiliate activity was included in this analysis. Refer to the table in Appendix A for additional information reading the scope of our review.

Selection of Areas for Full-Scope Review

Stillman has two AAs, and we completed full-scope reviews for both AAs. Please refer to the table in Appendix A for additional information regarding the scope of this review.

Ratings

Stillman's overall rating is based on the full-scope review of the AAs in the state of Illinois.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank 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 Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that the bank 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 Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- Stillman's distribution of loans to individuals of different incomes levels within its AAs is excellent.
- Stillman's combined community development (CD) loans, investments, and services exhibit excellent responsiveness to the CD needs of its AAs.
- Stillman's distribution of loans across geographies of different income levels within the AAs is reasonable.

Description of Institution's Operations in Illinois

Rochelle, IL MSA

The Rochelle, IL MSA AA is comprised of Ogle County, which comprises the Rochelle, IL Metropolitan Statistical Area (MSA) where Stillman is headquartered and has four branch locations. There are no low- or moderate-income CTs in the Rochelle, IL MSA. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income CTs.

Competition

According to the June 30, 2023 FDIC Deposit Market Share Report, Stillman's deposits from the Rochelle, IL MSA AA totaled \$336.8 million, and the bank ranked first out of 11 deposit-taking institutions in the AA with a 22.3 percent market share.

Population

According to 2015 ACS data, the Rochelle, IL MSA had a population of 52,397 persons. The median family income was \$69,345, and there were 13,871 families in the AA. Of these families, 15.4 percent (2,135) were low-income, 16.2 percent (2,251) were moderate-income, 20.1 percent (2,794) were middle-income, 48.2 percent (6,691) were upper-income, and 7.3 percent (1,009) were living below the poverty level.

According to 2020 U.S. Census data, the Rochelle, IL MSA had a population of 51,788 persons. Of these persons, 72.3 percent (37,424) resided in middle-income CTs and 27.7 percent (14,364) resided in upper-income CTs. The median family income was \$79,042. There were 13,816 families in the AA. Of these families, 13.2 percent (1,818) were low-income, 17.8 percent (2,455) were moderate-income, 22.8 percent (3,153) were middle-income, 46.3 percent (6,390) were upper-income, and 6.1 percent (844) were living below the poverty level.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Rochelle, IL MSA (2021)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	11	0.0	0.0	54.5	45.5	0.0
Population by Geography	52,397	0.0	0.0	53.2	46.8	0.0
Housing Units by Geography	22,583	0.0	0.0	54.0	46.0	0.0
Owner-Occupied Units by Geography	15,732	0.0	0.0	49.1	50.9	0.0
Occupied Rental Units by Geography	4,999	0.0	0.0	70.2	29.8	0.0
Vacant Units by Geography	1,852	0.0	0.0	52.4	47.6	0.0
Businesses by Geography	3,034	0.0	0.0	56.6	43.4	0.0
Farms by Geography	308	0.0	0.0	52.3	47.7	0.0
Family Distribution by Income Level	13,871	15.4	16.2	20.1	48.2	0.0
Household Distribution by Income Level	20,731	18.7	14.6	17.2	49.5	0.0
Median Family Income Non-MSAs - IL		\$59,323	Median Housing Value			\$136,656
			Median Gross Rent			\$666
			Families Below Poverty Level			7.3%
Source: 2015 ACS and 2021 D&B data. Note: Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Rochelle, IL MSA (2022-2023)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	13	0.0	0.0	69.2	30.8	0.0
Population by Geography	51,788	0.0	0.0	72.3	27.7	0.0
Housing Units by Geography	22,687	0.0	0.0	73.2	26.8	0.0
Owner-Occupied Units by Geography	15,070	0.0	0.0	69.9	30.1	0.0
Occupied Rental Units by Geography	5,897	0.0	0.0	83.8	16.2	0.0
Vacant Units by Geography	1,720	0.0	0.0	65.3	34.7	0.0
Businesses by Geography	3,690	0.0	0.0	71.7	28.3	0.0
Farms by Geography	378	0.0	0.0	72.2	27.8	0.0
Family Distribution by Income Level	13,816	13.2	17.8	22.8	46.3	0.0
Household Distribution by Income Level	20,967	17.8	14.3	18.9	49.0	0.0
Median Family Income MSA – Rochelle, IL MSA		\$68,958	Median Housing Value			\$145,629
			Median Gross Rent			\$746
			Families Below Poverty Level			6.1%
Source: 2020 U.S. Census and 2023 D&B data. Note: Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), the unemployment rate in the AA generally improved during the evaluation period from the peak of 8.1 percent in January 2021 during the COVID-19 pandemic. As of December 31, 2023, the 5.4 percent unemployment rate for Ogle County was still higher than both the 4.5 percent state and 3.7 percent national unemployment rates.

During the evaluation period, the economy in Ogle County was slowly recovering. Industries driving the local economy included manufacturing, health care and social services, and retail. During the 2021 evaluation period, there were 3,034 businesses in the AA, of which 56.6 percent (1,718) were in middle-income CTs, and 41.7 percent (1,316) were in upper-income CTs. During the 2022-2023 evaluation period there were 3,690 businesses in the AA, of which 71.6 percent (2,644) were in middle-income CTs, and 28.4 percent (1,046) were in upper-income CTs. There were 2,477 small businesses with gross annual revenue of \$1 million (81.6 percent of total businesses) during the 2021 evaluation period and 3,124 (84.7 percent) during the 2022-2023 evaluation period.

Housing

According to 2015 ACS data, there were 22,583 total housing units in the AA. Of these, 69.7 percent were owner-occupied, 22.1 percent were rentals, and 8.2 percent were vacant. The median gross rent was \$666, the median age of housing units was 53 years, and the median housing value was \$139,134.

According to the 2020 U.S. Census, there were 22,687 total housing units in the AA. Of these, 66.4 percent were owner-occupied, 26.0 percent were rentals, and 7.6 percent were vacant. The median gross rent was \$746, the median age of housing units was 55 years, and the median housing value was \$149,922. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for low- and moderate-income families.

Community Contact

We utilized one community contact performed during the evaluation period in the Rochelle, IL MSA with an economic development organization serving the AA. The contact indicated that community credit needs include housing development, small business loans, and financial education.

Rockford, IL MSA

The Rockford, IL MSA is comprised of Boone and Winnebago Counties. The bank has two branch locations in the Rockford IL AA. As of December 31, 2023, the Rockford, IL MSA AA included eight low-income CTs, 27 moderate-income CTs, 25 middle-income CTs, 22 upper-income CTs and four CTs where income data was not available. The AA meets the requirements of the regulation and does not arbitrarily exclude any low- or moderate-income CTs.

Competition

Competition for deposits within the AA is strong. According to the June 30, 2023 FDIC Deposit Market Share Report, Stillman's deposits in the Rockford, IL MSA AA totaled \$199.6 million, and the bank ranked 11th out of 22 deposit-taking institutions in the AA with a 2.5 percent market share. The three largest financial institutions for deposit market share were HTLF Bank (formerly Illinois Bank & Trust), Midland State Bank, and JPMorgan Chase Bank National Association, which account for a combined 44.0 percent of total deposits in the AA. Market share characteristics were similar for 2021.

Population

According to 2015 ACS data, the Rockford, IL MSA has a population of 327,744 persons. Of these persons, 11.3 percent (37,047) resided in low-income CTs, 20.5 percent (67,357) resided in moderate-income CTs, 32.8 percent (107,622) resided in middle-income CTs, and 35.0 percent

(114,617) resided in upper-income CTs. There were an additional 1,101 (0.3 percent) persons residing in CTs where income data was not available. The median family income is \$61,362, and there were 83,869 families in the AA. Of these families, 22.7 percent (19,035) were low-income, 17.1 percent (14,332) were moderate-income, 20.4 percent were middle-income, 39.8 percent were upper-income, and 12.8 percent (10,716) were living below the poverty level.

According to 2020 U.S. Census data, the area population in the Rockford, IL MSA AA was 319,388 persons. Of this, 6.1 percent (19,390) resided in low-income CTs, 27.7 percent (88,519) resided in moderate-income CTs, 35.4 percent (113,230) resided in middle-income CTs, and 29.5 percent (94,394) resided in upper-income CTs. The other 1.2 percent (3,855) resided in CTs for which income data was not available. The median family income was \$73,069, and there were 82,355 families in the AA. Of these families, 22.8 percent (18,805) were low-income, 17.3 percent (14,256) were moderate-income, 19.3 percent (15,898) were middle-income, 40.6 percent were upper-income, and 11.4 percent (9,361) were living below the poverty level.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Rockford, IL MSA (2021)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	81	16.0	23.5	30.9	27.2	2.5
Population by Geography	327,744	11.3	20.6	32.8	35.0	0.3
Housing Units by Geography	138,584	11.9	21.0	32.3	34.0	0.7
Owner-Occupied Units by Geography	84,834	5.4	16.9	35.7	42.0	0.0
Occupied Rental Units by Geography	40,859	21.8	28.4	26.6	21.4	1.7
Vacant Units by Geography	12,891	23.5	24.6	28.6	21.6	1.7
Businesses by Geography	20,015	9.6	16.5	29.9	41.7	2.4
Farms by Geography	647	5.4	15.1	39.3	39.3	0.9
Family Distribution by Income Level	83,869	22.7	17.1	20.4	39.8	0.0
Household Distribution by Income Level	125,693	25.3	15.8	18.3	40.6	0.0
Median Family Income MSA - Rockford, IL MSA		\$60,048	Median Housing Value			\$114,545
			Median Gross Rent			\$755
			Families Below Poverty Level			12.8%
Source: 2015 ACS and 2021 D&B data. Note: Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area						
Assessment Area: Rockford, IL MSA (2022-2023)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	87	9.3	31.4	30.2	25.6	3.5
Population by Geography	319,388	6.1	27.7	35.5	29.6	1.2
Housing Units by Geography	137,786	7.2	28.9	34.6	27.8	1.5
Owner-Occupied Units by Geography	84,779	3.3	23.0	37.2	36.3	0.3
Occupied Rental Units by Geography	42,364	12.9	38.6	31.5	13.6	3.4
Vacant Units by Geography	10,643	15.1	38.1	25.8	17.2	3.8
Businesses by Geography	25,215	5.0	25.8	32.4	33.6	3.2
Farms by Geography	799	4.1	20.5	25.5	48.8	1.0
Family Distribution by Income Level	82,355	22.8	17.3	19.3	40.6	0.0
Household Distribution by Income Level	127,143	24.7	16.6	17.7	41.0	0.0
Median Family Income MSA - Rockford, IL MSA		\$69,881	Median Housing Value			\$119,133
			Median Gross Rent			\$828
			Families Below Poverty Level			11.4%
Source: 2020 U.S. Census and 2023 D&B data. Note: Due to rounding, totals may not equal 100.0%. (*) The NA category consists of geographies that have not been assigned an income classification.						

Employment and Economic Factors

According to the Bureau of Labor Statistics (BLS), the unemployment rate in the AA generally improved during the evaluation period, from a peak in January 2021 of 12.0 percent in Boone County and 11.0 in Winnebago County during the COVID-19 pandemic. As of December 31, 2023, the unemployment rate for both Boone County (7.0 percent) and Winnebago County (6.1 percent) were still higher than both the state (4.5 percent) and national (3.7 percent) unemployment rates.

During the evaluation period, the economy in Boone and Winnebago Counties was slowly recovering. Industries driving the local economies included manufacturing, health care and social services, and retail. According to Moody's, logistics operations are growing due to the Chicago-Rockford International Airport, but auto manufacturing is weakening.

During the 2021 evaluation period there were 20,015 businesses in the AA, of which 9.6 percent (1,931) were in low-income CTs, 16.4 percent (3,293) were in moderate-income CTs, 29.9 percent (5,976) were in middle-income CTs, 41.7 percent (8,343) were in upper-income CTs, and 2.4 percent (472) were in CTs with no income designation.

During the 2022-2023 evaluation period there were 25,215 businesses in the AA, of which 5.1 percent (1,273) were in low-income CTs, 25.8 percent (6,499) were in moderate-income CTs, 32.3 percent (8,178) were in middle-income CTs, 33.6 percent (8,466) were in upper-income CTs, and 3.2 percent (799) were in CTs with no income designation. There were 16,473 small businesses with gross annual revenue of \$1 million or less (82.3 percent of total businesses) during the 2021 evaluation period and 21,680 (86.7 percent) during the 2022-2023 evaluation period.

Housing

According to 2015 ACS data, there were 138,584 housing units in the AA. Of these, 61.2 percent were owner-occupied, 29.5 percent were rentals, and 9.3 percent were vacant. The median monthly gross rent was \$755, the median age of housing units was 50 years, and the median housing value was \$125,608. Rental units represented 53.9 percent and 39.9 percent of the total housing units in the low- and moderate-income CTs, respectively.

According to the 2020 U.S. Census, there were 137,786 housing units in the AA with 61.5 percent owner-occupied, 30.7 percent rentals, and 7.7 percent vacant. The median gross rent was \$828, the median age of housing units was 54 years, and the median value was \$132,709.

Community Contact

We utilized two community contacts performed during the evaluation period in the Rockford, IL MSA with a representative from a local nonprofit organization that provides affordable housing and a representative from a local economic development organization. The contacts indicated that the community credit needs include affordable housing due to increasing rents, lack of inventory, and home values that have priced some out of the market, the need for down-payment assistance and alternative credit underwriting programs, financing for small business start-ups, and financial education.

Scope of Evaluation in Illinois

We performed a full-scope review of both the Rockford MSA AA and the Ogle non-MSA AA. We placed equal weight on the performance in each AA. Refer to Appendix A for additional information.

Conclusions in Respect to Performance Tests in Illinois

Lending Test

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

Conclusions for Areas Receiving Full-Scope Reviews

Based on full-scope reviews, Stillman's lending performance in the state of Illinois is excellent.

Distribution of Loans by Income Level of the Geography

Stillman geographic distribution of loans in the state is reasonable. This conclusion is based on the geographic distribution analysis of the Rockford, IL MSA AA. A geographic distribution analysis was not performed on the Rochelle, IL MSA AA, as that AA does not contain any low- or moderate-income CTs.

Home Mortgage Loans

Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of Stillman's home mortgage loan originations and purchases.

Rockford MSA AA

Stillman's geographic distribution of home mortgage loans in the Rockford, IL MSA AA is reasonable.

During the 2021 evaluation period, Stillman's distribution of home mortgage loans among geographies of different income levels was poor. The bank's percentage of home mortgage loans originated in low-income CTs was significantly below the percentage of the AA's owner-occupied housing units that are located in low-income CTs, but it was near the percentage of aggregate lending that occurred in low-income CTs. However, the bank's percentage of home mortgage loans originated in moderate-income CTs was significantly below both the percentage of the AA's owner-occupied housing units that are located in moderate-income CTs and the percentage of aggregate home mortgage loan lending that occurred in moderate-income CTs.

During the 2022-2023 evaluation period, Stillman's distribution of home mortgage loans among geographies of different incomes was excellent. The bank's percentage of home mortgage loan originations in low-income CTs exceeded both the percentage of the AA's owner-occupied housing units that were located in low-income CTs and the percentage of aggregate home mortgage loan lending that occurred in low-income CTs. The bank's percentage of home mortgage loans originated in moderate-income CTs was near both the percentage of the AA's owner-occupied housing units that are located in moderate-income CTs and the percentage of aggregate home mortgage loan lending that occurred in moderate-income CTs.

Lending Gap Analysis

We did not identify any unexplained, conspicuous gaps in Stillman's lending distribution. We reviewed summary reports and maps to analyze the bank's home mortgage lending activity over the evaluation period, and to identify potential significant gaps in the geographic distribution of loans within the AA.

Distribution of Loans by Income Level of the Borrower

Stillman distribution of loans to individuals of different income levels in both AAs is excellent, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of Stillman's home mortgage loan originations and purchases.

Rockford MSA AA

Stillman's distribution of home mortgage loans to individuals of different income levels within the Rockford, IL MSA AA is excellent.

During the 2021 evaluation period, Stillman's distribution of home mortgage loans to individuals of different income levels within its AA was reasonable. The percentage of home mortgage loans originated to low-income borrowers was significantly below the percentage of AA families that were low-income and below the percentage of aggregate lending that occurred to low-income borrowers. However, the percentage of home mortgage loans originated to moderate-income borrowers exceeded the percentage of AA families that were moderate-income and was near the percentage of aggregate lending that occurred to moderate-income borrowers. We also considered that 45.1 percent of families living in the low-income CTs live below the poverty rate, which makes it difficult for these families to qualify for home loans.

During the 2022-2023 evaluation period, Stillman's distribution of home mortgage loans to individuals of different income levels within the AA was excellent. The percentage of home mortgage loans originated to low-income borrowers was significantly below the percentage of AA families that were low-income, but it was near the percentage of aggregate lending that occurred to low-income borrowers. However, the percentage of home mortgage loans originated to moderate-income borrowers exceeded the percentage of AA families that were moderate-income and was near the percentage of aggregate lending that occurred to moderate-income borrowers. We also considered that 45.1 percent of families living in the low-income CTs live below the poverty rate, which makes it difficult for these families to qualify for home loans.

Rochelle, IL MSA AA

Stillman's distribution of home mortgage loans to individuals of different income levels within the Rochelle, IL MSA AA is excellent.

During the 2021 evaluation period, Stillman's distribution of home mortgage loans to borrowers of different income levels within its AA was excellent. While the percentage of home mortgage loans originated to low-income borrowers was significantly below the percentage of AA families that were low-income, it exceeded the percentage of aggregate lending that occurred to low-income borrowers. The percentage of home mortgage loans originated to moderate-income borrowers within the AA exceeded both the percentage of AA families that were moderate-income and the percentage of aggregate lending that occurred to moderate-income borrowers.

During the 2022-2023 evaluation period, Stillman's distribution of home mortgage loans to borrowers of different income levels within its AA was excellent. The percentage of home mortgage loans originated to low-income borrowers exceeded the percentage of AA families that were low-income and significantly exceeded the percentage of aggregate lending that occurred to

low-income borrowers. The percentage of home mortgage loans originated to moderate-income borrowers exceeded the percentage of AA families that were moderate-income but was below the percentage of aggregate lending that occurred to moderate-income borrowers.

Responses to Complaints

Stillman did not receive any complaints regarding its CRA performance during the evaluation periods.

Community Development Test

The bank's performance under the Community Development Test in the state of Illinois is rated Outstanding.

Conclusions for Areas Receiving a Full-Scope Review

Based on a full-scope review, the bank exhibits excellent responsiveness to community development needs in the state through qualified loans, investments, and services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs. To provide perspective regarding relative level of qualified CD loans and investments, we allocated a portion of Stillman's tier 1 capital to each AA based on the percentage of the bank's deposits located in the respective AAs as a means of comparative analysis. The bank's CD lending, investments, and volunteer services during the evaluation period had a positive impact on affordable housing, economic development, and support for community service organizations serving low- and moderate-income individuals and families in the AAs. CD loans and investment in the Rockford, IL MSA totaled \$10.7 million, or 48.9 percent of allocated tier 1 capital and in the Rochelle, IL MSA totaled \$11.9 million, or 34.0 percent of allocated tier 1 capital. Stillman's responsiveness to community development needs in each of the AAs was excellent. CD services included technical assistance and serving in leadership roles at organizations providing affordable housing and community services to low- and moderate-income individuals.

Number and Amount of Community Development Loans

The Community Development Loan table below sets forth the information and data used to evaluate the Stillman's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000s)	% of Total \$
Rockford, IL MSA	101	41.4	8,550	69.9
Rochelle, IL MSA	125	51.2	3,001	24.5
Outside AA	18	7.4	679	5.6
Total	244	100	12,230	100

Rockford, IL MSA

During the evaluation period, Stillman's qualified CD loans in the Rockford, IL MSA totaled \$8.5 million, or 38.9 percent of allocated tier 1 capital. All 101 loans originated in 2022 helped to stabilize designated disaster areas under the national emergency related to the COVID-19 pandemic. The Small Business Administration (SBA) guaranteed Paycheck Protection Program (PPP) loans provided small businesses and farms relief from hardships caused by the pandemic.

Rochelle, IL MSA

During the evaluation period, Stillman's qualified CD loans in the Rochelle, IL MSA totaled \$3.0 million, or 8.5 percent of allocated tier 1 capital. All 125 loans originated in 2022 help to stabilize designated disaster areas under the national emergency related to the COVID-19 pandemic. The SBA guaranteed PPP loans provided small businesses and farms relief from hardships caused by the pandemic.

Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all qualified CD investments, including donations.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000s)	#	\$(000s)	#	% of Total #	\$(000s)	% of Total \$	#	\$(000s)
Rockford, IL MSA	0	0	20	\$2,182	20	33.0%	\$2,182	19.7	0	0
Rochelle, IL MSA	0	0	41	\$8,890	41	67.0%	\$8,890	80.3	0	0
Total	0	0	61	\$11,072	61	100.0%	\$11,072	100.0%	0	0
<i>* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.</i> <i>** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.</i>										

Rockford, IL MSA

Stillman's qualified CD investments and donations in the Rockford, IL AA totaled \$2.2 million, or 9.9 percent of allocated tier 1 capital.

- The bank purchased four bonds totaling \$1.3 million that benefit three local school districts where more than 50 percent of the students were eligible for the free lunch program. The bank received \$378,650 of partial credit for two bonds that were purchased in 2022 and benefitted local school districts where 25.0 percent and 31.0 percent of the students are eligible for the free lunch program.
- The bank purchased one bond totaling \$500,000 that benefits a local county college which offers tuition assistance programs targeted to low-income individuals.
- The bank purchased two bonds for the Village of Cherry Valley, Illinois, that benefit the revitalization and stabilization of critical community infrastructure.
- The bank made 13 donations totaling \$38,455 during the evaluation period to nonprofit organizations in the AA providing economic development, social services, and affordable housing for low- and moderate-income individuals.

Rochelle, IL MSA

Stillman's qualified CD investments and donations in the Rochelle, IL AA totaled \$8.9 million, or 25.4 percent of allocated tier 1 capital.

- The bank purchased two bonds totaling \$363,000 that benefit two local school districts where more than 50 percent of the students were eligible for the free lunch program.
- The bank purchased five bonds that benefit the Flagg-Rochelle Community Park Districts and the Oregon, IL Park District, which provide programs targeted to low- and moderate- income

individuals and provides education and services programs to the students attending local schools where more than 50 percent of the students were eligible for the free lunch program.

- The bank purchased seven bonds for the City of Rochelle Electric Systems and two bonds for the City of Byron that benefit the revitalization and stabilization of critical community infrastructure.
- The bank made 27 donations totaling \$39,102 during the evaluation period to nonprofit organizations in the AA providing economic development, social services, and affordable housing for low- and moderate-income individuals.

Extent to Which the Bank Provides Community Development Services

Rockford MSA

Bank personnel provided financial and technical expertise for organizations focused on economic development and supporting community services to low- and moderate-income individuals and families. Ten bank officers or employees provided 205 hours of qualified CD services to 13 different organizations during the evaluation periods. Six employees served in leadership roles at nine organizations focused on economic development, small business development, and providing community services to low- and moderate-income individuals.

Rochelle, IL MSA

Bank personnel provided financial and technical expertise for organizations focused on economic development and supporting community services to low- and moderate-income individuals and families. Eight bank officers or employees provided 101.5 hours of qualified CD services to 11 different organizations during the evaluation period. Four employees served in leadership roles at five organizations focused consumer and financial education, economic development, small business and farm development, and providing community services to low- and moderate-income individuals.

Appendix A: Scope of Examination

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

Time Period Reviewed:	1/1/2021-12/31/2023	
Bank Products Reviewed:	Home Mortgage	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
State of Illinois		
Rockford MSA	Full-Scope	All of Boone County and portion of Winnebago County
Ogle Non-MSA	Full-Scope	All of Ogle County

Appendix B: Summary of MMSA and State Ratings

RATINGS			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Stillman BancCorp National Association	Outstanding	Outstanding	Outstanding
State:			
Illinois	Outstanding	Outstanding	Outstanding

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 of the area’s median income.

Low-Income Geography: A census tract with a median family income that is less than 50 percent of the area’s median income.

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 O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table P. 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/assessment area. The table also presents aggregate peer data for the years the data is available.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	# of Bank Loans	\$(000s) Bank Loans	% of Bank Total	Overall Market (#)	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending
Rockford IL, MSA	396	54,347	100.0	13,937	5.4	2.0	2.5	16.9	6.8	13.3	35.7	28.3	37.0	42.0	62.6	47.1	0.0	0.3	0.1
Rochelle, IL MSA	178	23,121	100.0	2,073	0.0	0.0	0.0	0.0	0.0	0.0	49.1	42.7	48.2	50.9	57.3	51.8	0.0	0.0	0.0
Source: 2015 ACS; 01/01/2021 - 12/31/2021 bank data, 2021 HMDA aggregate data, "--" data not available. Note: Due to rounding, totals may not equal 100.0%.																			

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022-2023
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	# of Bank Loans	\$(000s) Bank Loans	% of Bank Total	Overall Market (#)	% of Owner-Occupied Housing Units	% of Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending	% of Owner-Occupied Housing Units	% of Bank Loans	% of Aggregate Lending
Rockford, IL MSA	230	33,235	100.0	6,776	3.3	3.5	3.1	22.7	19.6	24.6	36.7	37.8	38.6	37.1	39.1	33.4	0.3	0.0	0.3
Rochelle IL MSA	137	16,504	100.0	894	0.0	0.0	0.0	0.0	0.0	0.0	69.9	65.7	68.8	30.1	34.3	31.2	0.0	0.0	0.0
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 bank data, 2023 HMDA aggregate data, "--" data not available. Note: Due to rounding, totals may not equal 100.0%.																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2021
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	# of Bank Loans	\$ (000s) Bank Loans	% of Bank Total	Overall Market (#)	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending
Rockford, IL MSA	396	54,347	100.0	13,937	22.7	7.1	10.3	17.1	18.2	19.9	20.4	30.8	22.2	39.8	40.9	27.7	0.0	3.0	19.9
Rochelle, IL MSA	178	23,121	100.0	2,073	15.4	7.9	5.7	16.2	18.5	16.2	20.1	28.1	22.7	48.2	42.1	38.0	0.0	3.4	17.4
Source: 2015 ACS; 01/01/2021 - 12/31/2021 bank data, 2021 HMDA aggregate data, "--" data not available. Note: Due to rounding, totals may not equal 100.0%.																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022-23
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	# of Bank Loans	\$(000s) Bank Loans	% of Bank Total	Overall Market (#)	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending	% of AA Families	% of Bank Loans	% of Aggregate Lending
Rockford, IL MSA	230	33,235	100.0	6,776	22.6	10.9	11.7	17.3	21.7	24.4	19.2	21.3	23.4	40.9	32.2	27.1	0.0	13.9	13.4
Rochelle, IL MSA	137	16,504	100.0	894	13.2	18.2	6.5	17.8	19.7	23.8	22.8	21.9	25.7	46.3	38.0	31.8	0.0	2.2	12.2
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2023 bank data, 2023 HMDA aggregate data, "--" data not available. Note: Due to rounding, totals may not equal 100.0%.																			

