PUBLIC DISCLOSURE

January 22, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Saints Avenue Bank
RSSD #1002355

418 South Main Street
New London, Missouri 63459

Federal Reserve Bank of St. Louis

P.O. Box 442
St. Louis, Missouri 63166-0442

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, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

I. Institution
- a. Institution's CRA Rating 1
- b. Scope of Examination 1
- c. Description of Institution 3
- d. Conclusions with Respect to Performance Tests 5

II. Ralls/Marion County Nonmetropolitan Statistical Area Missouri (full-scope review)
- a. Description of Institution's Operations in the Ralls/Marion County Assessment Area 7
- b. Conclusions with Respect to Performance Tests in the Ralls/Marion County Assessment Area 11

III. St. Louis Missouri-Illinois Metropolitan Statistical Area (full-scope review)
- a. Description of Institution's Operations in the St. Charles County Assessment Area 14
- b. Conclusions with Respect to Performance Tests in the St. Charles County Assessment Area 18

IV. Appendices
- a. Assessment Areas Detail 20
- b. Glossary 22

INSTITUTION'S CRA RATING: This institution is rated SATISFACTORY.

Saints Avenue Bank meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending activity. The factors supporting the institution's rating include:

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.

- A majority of loans and other lending-related activities are in the assessment areas.

- The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI), and businesses of different revenue sizes.

- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.

- No CRA-related complaints were filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) small bank procedures, which evaluate the bank under the Lending Test. The bank maintains operations in two delineated assessment areas in the state of Missouri. The primary assessment area is the entire counties of Ralls and Marion, which is in a nonmetropolitan statistical area (nonMSA) portion of the state. The second assessment area is the entire county of St. Charles, which is located in the St. Louis MO-IL MSA.

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2018.

Assessment Area	Offices		Deposits as of June 30, 2018		Review Procedures
	#	%	$ (000s)	%	
Ralls/Marion County	3	75%	$60,513	84.1%	Full Scope
St. Charles County	1	25%	$11,413	15.9%	Full Scope
OVERALL	**4**	**100%**	**$71,926**	**100%**	**Full Scope**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Ralls/Marion County assessment area was given primary consideration, as it contains the majority of the bank's loan and deposit activity. Furthermore, the St. Charles

County assessment area is relatively new. The bank did not operate a branch office in St. Charles County until May 2017.

Small business and residential real estate loans were used to evaluate the bank's lending performance in the Ralls/Marion County assessment area. These loan categories are considered the bank's core business lines based on lending volume and the bank's stated business strategy in this assessment area.[1] Alternatively, only small business loans were used to evaluate lending performance in the St. Charles County assessment area due to a stated focus on commercial lending in this area and a lack of available data for an analysis of residential real estate lending.

The loan activity represented by the credit products selected for review in each assessment area is deemed indicative of the bank's overall lending performance. However, since the bank has a particular emphasis on commercial (small business) loans in both assessment areas, performance based on the small business loan category carried the most significance toward the bank's overall performance conclusions.

The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2015 – December 31, 2018
Assessment Area Concentration	January 1, 2015 – December 31, 2017
Loan Distribution by Borrower's Profile	January 1, 2015 – December 31, 2017*
Geographic Distribution of Loans	January 1, 2015 – December 31, 2017*
Response to Written CRA Complaints	January 20, 2015 – January 21, 2019

*For the St. Charles County assessment area, only data from January 1, 2017 through December 31, 2017 was considered because the bank did not operate in St. Charles County until 2017.

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on Home Mortgage Disclosure Act and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on U.S. Census data and certain business demographics are based on Dun & Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are also updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $127.5 million to $170.3 million on December 31, 2018.

[1] Small business and 1–4 family residential real estate loan types were sampled for this review according to CA Letter 01-8, "CRA Sampling Procedures."

To augment this evaluation, three community contact interviews were conducted with members of the local community in order to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Furthermore, one additional community contact interview that was previously completed within the bank's assessment areas was referenced. Information from these four interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section, applicable to the assessment area for which they were conducted.

DESCRIPTION OF INSTITUTION

Saints Avenue Bank was formerly known as RCSBank, New London, Missouri. RCSBank was wholly owned by New London Bancshares, Inc., New London, Missouri, a one-bank holding company. On November 1, 2016, Saints Avenue Bancshares, Inc., St. Charles, Missouri, acquired 43.9 percent of New London Bancshares, Inc., thereby indirectly acquiring RCSBank and becoming the top-tiered bank holding company. The remaining 55.9 percent of the shares of New London Bancshares, Inc., are owned and closely held by a family. On October 11, 2017, RCSBank was renamed Saints Avenue Bank.

Saints Avenue Bank is a full-service retail bank offering consumer and commercial loan and deposit products. As of January 22, 2019, the bank's branch network consists of four offices (including the main office) in two delineated assessment areas in the state of Missouri. Each branch location has automated teller machines (ATMs) on site. In addition to being full-service facilities, the main office and three branches also have drive-up accessibility. On-site ATMs are cash-dispensing only, with the exception of one full-service ATM. Furthermore, the bank operates three stand-alone ATMs that are cash-dispensing only. Since the previous CRA evaluation, the bank opened one branch in St. Charles, Missouri, on May 1, 2017, which increased the number of branches from three to four and increased the number of delineated assessment areas from one to two. Based on the bank's current branch network and other service delivery systems, such as full-service online banking capabilities, the bank is well positioned to deliver financial services to the entirety of its assessment areas.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of December 31, 2018, the bank reported total assets of $88.5 million. As of the same date, loans and leases outstanding were $67.5 million (76.3 percent of total assets) and deposits totaled $81.0 million.

The bank's loan portfolio composition by credit category is displayed in the following table:

Distribution of Total Loans as of December 31, 2018		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Construction and Development	$1,872	2.8%
Commercial Real Estate	$16,756	24.8%
Multifamily Residential	$2,432	3.6%
1–4 Family Residential	$15,764	23.3%
Farmland	$6,148	9.1%
Farm Loans	$2,288	3.4%
Commercial and Industrial	$11,765	17.4%
Loans to Individuals	$10,188	15.1%
Total Other Loans	$307	0.5%
TOTAL	**$67,250**	**100%**

As indicated in the table above, a significant portion of the bank's lending resources are directed toward commercial real estate and commercial and industrial loans (24.8 percent and 17.4 percent, respectively). Loans secured by 1–4 family residential properties also represent a significant portion of the bank's lending at 23.3 percent by dollar.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by the FDIC on January 20, 2015.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Saints Avenue Bank meets the standards for a Satisfactory rating under the small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 16-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of December 31, 2018**	**Average LTD Ratio**
Saints Avenue Bank	New London, Missouri	$88,516	79.5%
Regional Banks	Hannibal, Missouri	$127,530	98.2%
	Kahoka, Missouri	$148,114	73.8%
	Lewistown, Missouri	$170,327	83.1%

Based on data from the table above, the bank's level of lending is above one of the banks and below two of the banks that operate in the region. During the review period, the bank's LTD ratio averaged 79.5 percent and had a generally increasing trend with the ratio peaking in the third quarter 2017 at 91.6 percent. In comparison, the two banks located in Kahoka and Lewistown also had an increasing trend. While the bank in Hannibal had the highest average LTD ratio, it experienced a decreasing trend with some fluctuations. Therefore, compared to data from regional banks, the bank's average LTD ratio is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment areas.

Lending Inside and Outside of Assessment Areas January 1, 2015 through December 31, 2017						
Loan Type	**Inside Assessment Areas**		**Outside Assessment Areas**		**TOTAL**	
Small Business	57	76.3%	18	24.0%	**75**	**100%**
	$10,644	73.2%	$3,888	26.8%	**$14,532**	**100%**
1–4 Family Residential Real Estate	58	66.7%	29	33.3%	**87**	**100%**
	$4,933	46.4%	$5,696	53.6%	**$10,629**	**100%**
TOTAL LOANS	**115**	**71.0%**	**47**	**29.0%**	**162**	**100%**
	$15,578	**61.9%**	**$9,583**	**38.1%**	**$25,161**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, the bank originated 71.0 percent of its total loans inside the assessment areas, accounting for 61.9 percent of the dollar volume of total loans.

Geographic and Borrower Distribution

As displayed in the following table, the bank's overall performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the Ralls/Marion County assessment area and St. Charles County assessment area.

Assessment Area	Loan Distribution by Borrower's Profile
Ralls/Marion County	Reasonable
St. Charles County	Poor
OVERALL	**REASONABLE**

The overall distribution of lending by income level of census tract reflects reasonable penetration throughout the two assessment areas that were subject to review, with the greatest emphasis on the Ralls/Marion County assessment area, as displayed in the following table.

Assessment Area	Geographic Distribution of Loans
Ralls/Marion County	Reasonable
St. Charles County	Poor
OVERALL	**REASONABLE**

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (January 20, 2015 through January 21, 2019).

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

RALLS/MARION COUNTY NONMETROPLITAN STATISTICAL AREA MISSOURI

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RALLS/MARION COUNTY ASSESSMENT AREA

Bank Structure

The bank operates three of its four offices (75.0 percent) in this assessment area. Of the three full-service branches, two are in Ralls County (one located in a middle-income tract and one located in an upper-income tract) and one is in Marion County (located in an upper-income tract). The bank did not open or close any branches in this assessment area during the review period. Each full-service branch includes drive-through service and cash-dispensing-only ATMs. In addition, there are three stand-alone ATMs in the assessment area. The banking structure and service delivery systems enable the bank to deliver financial services to the entire assessment area.

General Demographics

The assessment area is comprised of Ralls and Marion Counties in their entireties. This is the bank's primary assessment area, which is located in a rural portion of northeastern Missouri. According to 2015 census data, the assessment area has a population of 39,083. Of the nine FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranks fifth in deposit market share, as of June 30, 2018, encompassing 8.3 percent of total deposit dollars.

Credit needs in the assessment area include a mix of 1–4 family residential real estate and business loan products. Community contacts stated that, due to the age of most housing stock, rehabilitation, repair, and weatherization are the primary needs of residents. Affordable housing for LMI residents is also in demand. The contacts further indicated that small businesses are in need of gap financing and micro loans. Other particular needs in the assessment area include financial literacy initiatives and small business development services. As such, this assessment area has a significant number of community development needs and opportunity to fill these needs.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	0	1	7	3	0	**11**
	0.0%	9.1%	63.6%	27.3%	0.0%	**100%**
Family Population	0	720	6,485	3,146	0	**10,351**
	0.0%	7.0%	62.7%	30.4%	0.0%	**100%**

As shown above, a majority of the census tracts in the assessment area are middle-income (63.6 percent). Similarly, the majority of the assessment area's family population (62.7 percent) lives in middle-income census tracts. There are no low-income census tracts and only one moderate-income census tract in the assessment area.

Based on U.S. Census data, the median family income for the assessment area was $51,806. At the same time, the median family income for all of nonMSA Missouri was $48,553. More recently, the FFIEC estimates the 2017 median family income for nonMSA Missouri to be $50,800. The following table displays population percentages of assessment area families by income level compared to all nonMSA Missouri families.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	1,852	1,840	2,123	4,536	**10,531**
	17.9%	17.8%	20.5%	43.8%	**100%**
NonMSA Missouri	81,501	72,180	84,266	159,541	**397,488**
	20.5%	18.2%	21.2%	40.1%	**100%**

As shown in the table above, 35.7 percent of families in the assessment area are LMI, which is below the 38.7 percent of LMI families in nonMSA Missouri. While not shown in the data above, the percentage of families living below the poverty level in the assessment area (12.6 percent) is less than the 14.2 percent in nonMSA Missouri. Considering these factors, the assessment area is slightly more affluent than nonMSA Missouri as a whole.

Housing Demographics

The following table displays housing demographics used to assess the level of affordability of housing in the assessment area.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$106,242	40.5%	$614
NonMSA Missouri	$100,700	38.0%	$612

Based on housing values, income levels, and rental cost, housing in the assessment area appears to be slightly less affordable than nonMSA Missouri. The median housing value and median gross rent in the assessment area is slightly above nonMSA Missouri figures. Despite these facts, the overall affordability ratio is slightly higher. Nevertheless, the higher median housing value may suggest that homeownership may be less attainable for LMI residents. This supports information provided by a community contact, who noted that homeownership for LMI residents is difficult.

Industry and Employment Demographics

The assessment area supports a diverse business community. County business patterns indicate that there are 14,796 paid employees in the assessment area. By percentage of employees, the largest job categories in the assessment area are manufacturing (21.8 percent), healthcare and social assistance (21.5 percent), and retail trade (14.4 percent). As noted by community contacts, major employers in the assessment area include General Mills, Walmart, Hannibal Regional Hospital, and Hannibal School District.

The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to nonMSA Missouri as a whole.

Unemployment Levels			
Dataset	**Time Period (Annual Average)**		
	2015	**2016**	**2017**
Assessment Area	4.4%	4.2%	3.5%
NonMSA Missouri	5.9%	5.5%	4.5%

As shown in the table above, unemployment levels in the assessment area and nonMSA Missouri as a whole have decreased steadily across the time period. In addition, the Ralls/Marion County assessment area has consistently maintained lower levels of unemployment compared to nonMSA Missouri.

Community Contact Information

For this assessment area, two community contact interviews were conducted. One of the individuals specialized in social services and affordable housing, and the other specialized in economic development.

The affordable housing contact described a stable economy in both Ralls County and Marion County but noted that Ralls is small and rural, while Marion has a larger amount of business and industry. The housing market in the area was described by the contact as timeworn and in need of rehabilitation and/or weatherization updates. Over the last few years, affordable multifamily units have been built and a 72-unit building was refurbished using low-income housing tax credits, but neither project was enough to meet the area's demand for affordable housing. The contact also said there was a lack of single-family affordable housing. The cheaper, existing market-rate housing would provide a good alternative, but those properties are often in a dilapidated state, requiring significant investment to meet inspection standards. The contact listed low credit scores and an inability to save money as reasons preventing LMI residents from engaging in the housing market.

Hannibal, Missouri, an area in which Saints Avenue Bank has a branch, has experienced significant growth in recent years. A community contact stated that the largest industries within Ralls and Marion Counties are manufacturing, healthcare and social assistance, and retail trade. The area has several large manufacturing companies, such as General Mills. Hannibal Regional Hospital recently expanded, which created more jobs. Hannibal School District and Walmart Supercenter are also major employers in the area. The community contact also confirmed the decrease in unemployment rates but stated that some businesses have decreased pay rates in order to remain stable. The contact went on to say many "basic" personal banking products are accessible to LMI individuals, but many of them do not use the services due to the perception of high service fees.

The second contact also described the economy as stable and specifically listed the City of Hannibal as the region's lone economic hub. The contact listed manufacturing as the area's most significant industry and a General Mills plant as the largest employer. The contact indicated that other large employers include Hannibal Regional Hospital, the Hannibal School District, and Walmart Supercenter. Over the last few years, Buckhorn Rubber and Conti Tech, two manufacturers, left the region. However, the impact was minimal, as other employers hired the majority of the experienced staff.

The contact also said that the lack of middle- and upper-middle class housing is a significant barrier to attracting major employers to the region. Companies' mid- and upper-level management often struggle to find housing in the area, and often opt to live across the Mississippi River in Illinois. Within the past few months, three subdivisions obtained permits for new construction, but the houses are being built one at a time, so the impact of these developments will be delayed. The contact said that access to Historic Tax Credits makes obtaining brick-and-mortar space very affordable. The contact also mentioned that there is a need for small business loans and that if more banks offered gap funding and micro loans, then more small businesses would be able to open or expand.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RALLS/ MARION COUNTY ASSESSMENT AREA

The bank's overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels and businesses of different revenue sizes. Furthermore, the overall geographic distribution of loans reflects reasonable penetration throughout the Ralls/Marion County assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's income level is reasonable, based on performance of the small business and 1–4 family residential real estate loan categories. The following table reflects the bank's distribution of business loans by gross annual business revenue and loan amount.

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2015 through December 31, 2017								
Gross Revenue	**Loan Amounts in $000s**						**TOTAL**	
	≤$100		**>$100 and ≤$250**		**>$250 and ≤$1,000**			
$1 Million or Less	24	49.0%	13	26.5%	2	4.1%	**39**	**79.6%**
Greater than $1 Million/Unknown	6	12.2%	1	2.0%	3	6.1%	**10**	**20.4%**
TOTAL	**30**	**61.2%**	**14**	**28.6**	**5**	**10.2%**	**49**	**100%**
Dun & Bradstreet Businesses ≤ $1MM							**89.3%**	
2015 Small Business Aggregate Data							**48.9%**	
2016 Small Business Aggregate Data							**48.3%**	
2017 Small Business Aggregate Data							**41.4%**	

The bank's level of lending to small businesses is reasonable. The bank originated the majority of its small business loans, 79.6 percent, to businesses with revenues of $1 million or less. In comparison, assessment area demographics estimate that as of 2017, 89.3 percent of businesses in the assessment area had annual revenues of $1 million or less. During the years analyzed, aggregate data was 48.9 percent, 48.3 percent, and 41.4 percent in 2015, 2016, and 2017, respectively. Furthermore, of the 39 loans made to small businesses, 24 (61.5 percent) were in amounts of $100,000 or less, indicating the bank's willingness to make smaller dollar loans to meet the credit needs of small businesses.

For the analysis of 1–4 family residential real estate loans, borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC. The following table shows the distribution of 1–4 family residential real estate loans by borrower income level compared to family population income characteristics for the assessment area.

Distribution of Loans Inside Assessment Area by Borrower Income January 1, 2015 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
1–4 Family Residential Real Estate	7	12.3%	6	10.5%	11	19.3%	33	57.9%	0	0.0%	**57**	**100%**
Family Population	17.9%		17.8%		20.5%		43.8%		0.0%		**100%**	
2015 Aggregate	3.6%		12.8%		21.2%		44.8%		17.5%		**100%**	
2016 Aggregate	3.9%		12.6%		17.1%		50.2%		16.2%		**100%**	
2017 Aggregate	4.3%		14.1%		20.2%		42.7%		18.6%		**100%**	

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (12.3 percent) is below the low-income family population figure (17.9 percent). In comparison, aggregate lending levels to low-income borrowers ranged from 3.6 percent to 4.3 percent from 2015 through 2017. Therefore, the bank's lending to low-income borrowers is reasonable. The bank made 10.5 percent of its 1–4 family residential real estate loans to moderate-income borrowers, which is below the demographic percentage of 17.8 percent. Aggregate lending was 12.8 percent, 12.6 percent, and 14.1 percent in 2015, 2016, and 2017, respectively. Consequently, the bank's lending to moderate-income borrowers is reasonable. Therefore, considering performance in both income categories, the bank's overall distribution of 1–4 family residential real estate loans by borrower's profile is reasonable.

Geographic Distribution of Loans

For the geographic distribution of loans analysis, emphasis is typically placed on a bank's performance in LMI geographies; however, there were no LMI census tracts in the Ralls/Marion County assessment area during 2015 and 2016. The assessment area consisted of seven middle-income and four upper-income census tracts. Therefore, geographic distribution of loans analysis would not prove meaningful and was not performed as a part of this examination for 2015 and 2016.

As of 2017, the assessment area contains one moderate-, seven middle-, and three upper-income census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout the one moderate-income census tract, based on the small business and 1–4 family residential real estate loan categories.

The following table displays small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2017 small business aggregate data.

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2017 through December 31, 2017											
	Geography Income Level										TOTAL
	Low-		Moderate-		Middle-		Upper-		Unknown		
Small Business Loans	0	0.0%	4	25.0%	5	31.3%	7	43.8%	0	0.0%	**16**	**100%**
Business Institutions	0.0%		10.1%		56.7%		33.2%		0.0%		**100%**
2017 Small Business Aggregate	0.0%		7.8%		57.2%		32.4%		2.6%		**100%**

The bank's percentage of loans in moderate-income census tracts (25.0 percent) is above the percentage of small businesses in the moderate-income tract, which was 10.1 percent. Aggregate lending in the moderate-income census tract was 7.8 percent in 2017. In comparison, the bank's overall geographic distribution of small business loans is excellent based on performance in the moderate-income tract.

The following table displays the geographic distribution of 1–4 family residential real estate loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2017 through December 31, 2017												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
1–4 Family Residential Real Estate	0	0.0%	0	0.0%	13	65.0%	7	35.0%	0	0.0%	**20**	**100%**
Owner-Occupied Housing	0.0%		5.8%		62.0%		32.2%		0.0%		**100%**	
2017 Aggregate	0.0%		2.5%		63.2%		34.2%		0.0%		**100%**	

Bank performance in moderate-income census tracts was significantly below comparison data and deemed poor. The bank did not originate any 1–4 family residential real estate loans in the moderate-income census tract, despite 5.8 percent of owner-occupied housing units being in that tract. In comparison, the aggregate lending to borrowers residing in the moderate-income census tract was 2.5 percent during 2017. The bank's overall distribution of residential real estate loans is considered poor in the moderate-income census tracts.

Lastly, based on reviews from both loan categories, Saints Avenue Bank had loan activity in 72.7 percent of all assessment area census tracts in 2017. Additionally, there were no conspicuous lending gaps noted in LMI areas. This information supports the conclusion that the bank's overall geographic distribution is reasonable.

ST. LOUIS MISSOURI-ILLINOIS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ST. CHARLES COUNTY ASSESSMENT AREA

Bank Structure

Saints Avenue Bank operates one full-service branch in St. Charles County. This is the bank's only branch in this assessment area and makes up 25.0 percent of all of the bank's branches. The branch includes a full-service ATM. This facility opened during the review period (May 1, 2017) and is located in a middle-income census tract. The purpose of the location is to expand commercial lending and deposits of the institution. There are no consumer lenders at this branch, which indicates the bank's commercial focus. The bank is reasonably positioned to deliver financial services to a substantial portion of its St. Charles County assessment area.

General Demographics

The assessment area is comprised of St. Charles County in its entirety. This is the bank's secondary assessment area, located in eastern Missouri within the St. Louis MO-IL MSA. According to 2015 census data, the assessment area has a population of 374,805. This is a highly competitive banking market, with 35 FDIC-insured depository institutions operating 114 offices in the assessment area. Three institutions dominate the market with 42.2 percent of the deposit market share. Of the FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked 33rd in deposit market share, encompassing only 0.2 percent of total deposit dollars.

Credit needs in the assessment area include a mix of small business loans and affordable housing to LMI residents. Community contacts mentioned several factors that have made homeownership a challenge for LMI residents in the market. Moreover, community contacts noted a need for financial, small business, and homeownership education. As such, this assessment area has a significant level of community development need and opportunity.

Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level						
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**Unknown**	**TOTAL**
Census Tracts	1	7	28	42	1	**79**
	1.3%	8.9%	35.4%	53.2%	1.3%	**100%**
Family Population	913	5,447	34,866	59,503	0	**100,729**
	0.9%	5.4%	34.6%	59.1%	0.0%	**100%**

As shown above, the majority of the census tracts in the assessment area are upper-income. The majority of the assessment area's family population (59.1 percent) lives in upper-income census tracts. In contrast, only 10.2 percent of assessment area census tracts are considered LMI. Of the total families in the assessment area, only 6.3 percent live in these LMI census tracts.

According to 2015 census data, the median family income for St. Charles County was $85,806. In comparison, the median family income for the MSA as a whole was well below the assessment area at $70,718. More recently, the FFIEC estimates the 2017 median family income for the St. Louis MO-IL MSA to be $74,300. The following table displays the distribution of assessment area families by income level compared to all families in the St. Louis MO-IL MSA.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	12,443	14,862	21,816	51,608	**100,729**
	12.4%	14.8%	21.7%	51.2%	**100%**
St. Louis MO-IL MSA	155,627	125,318	144,204	294,177	**719,326**
	21.6%	17.4%	20.1%	40.9%	**100%**

While the table in the previous section indicated that 6.3 percent of families live in LMI census tracts, the table above shows that 27.2 percent of families in the assessment area are considered LMI. This LMI family percentage is less than the St. Louis MO-IL MSA (39.0 percent). In addition, while not shown in the preceding data, the percentage of families living below the poverty level in the assessment area, 4.6 percent, is less than the 9.6 percent in the St. Louis MO-IL MSA. Considering this data, the assessment area is more affluent than the MSA as a whole.

Housing Demographics

The following table provides details of the housing demographics of the assessment area compared to the St. Louis MO-IL MSA.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$188,200	38.5	$931
St. Louis MO-IL MSA	$157,100	35.1	$815

Based on the housing values, income levels, and rental cost, housing in the assessment area appears to be less affordable than MSA comparisons. The median housing value for the assessment area of $188,200 is significantly above the figure for the St. Louis MO-IL MSA of $157,100. In addition, the median gross rent for the assessment area of $931 per month is less affordable compared to $815 per month for the MSA as a whole. Yet when considering income, the assessment area's affordability ratio (38.5 percent) is greater than the ratio for the St. Louis MO-IL MSA. Despite this, the higher-median housing value may suggest that homeownership may be less attainable for LMI residents. This conclusion is further supported by information provided by a community contact, who noted that homeownership for LMI residents is difficult.

Industry and Employment Demographics

The assessment area supports a diverse business community. County business patterns indicate that there are 134,424 paid employees in the assessment area. By percentage of employees, the largest job categories in the assessment area are retail trade (15.6 percent), accommodation and food services (13.8 percent), healthcare and social assistance (12.7 percent), and manufacturing (10.4 percent). This data aligns with the community contact's statement that the largest employers are General Motors, Boeing, and the Ft. Zumwalt and Wentzville School Districts.

The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the St. Louis MO-IL MSA as a whole.

Unemployment Levels			
Dataset	Time Period (Annual Average)		
	2015	2016	2017
Assessment Area	3.9%	3.5%	2.9%
St. Louis MO-IL MSA	5.1%	4.6%	3.7%

As shown in the table above, unemployment rates in the St. Charles County assessment area are lower than in the MSA. Unemployment rates for the assessment area and the St. Louis MO-IL MSA have both declined steadily from 2015 to 2017.

Community Contact Information

For this assessment area, two community contact interviews were conducted. One of the individuals specialized in affordable housing, and the other specialized in economic development. While commercial lending is the bank's business focus and the driver for performance conclusions in the St. Charles assessment area, these interviews were conducted to gain insight in the overall market and credit needs of its residents.

The affordable housing contact noted increasing levels of economic and population growth within St. Charles County, surpassing the rate of growth for the MSA. The Wentzville area is the center of the county's growth, according to the contact, due to the expansion of General Motors. The contact said that recently, St. Charles County was listed as the most affluent county in the state of Missouri, which, while positive, can lead to negative consequences. The contact also noted that the price of property has increased substantially, making it harder for LMI residents to buy homes or land for small businesses. That has ultimately led to LMI residents being concentrated in a handful of areas. The contact indicated that many LMI individuals in the area have a negative perception of banks and instead choose to use payday lenders. Specific credit needs noted by this contact include loans to renovate homes for older citizens to be able to “age in place,” banking services targeted to LMI individuals, including credit repair services, and financial education.

The second community contact, specializing in economic development, also described substantive population and economic growth in St. Charles County due to a low cost of living, good schools, and relative proximity to area attractions in the city of St. Louis and St. Louis County. The contact also stated the county’s business sector has remained fairly stable, despite recent business departures and layoffs. Although the county has plenty of employment opportunities, especially within the major industries of manufacturing, health and social assistance, and retail, the contact estimates that 60.0 percent of St. Charles County residents work outside the county in the greater St. Louis MO-IL MSA. The community contact indicated that, despite being “overbanked,” it is still difficult to obtain small business loans, particularly loans for less than $10,000. The community contact mentioned that banks in the area are often slow to engage economic/community development opportunities, but community banks seem more engaged than larger banks.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ST. CHARLES COUNTY ASSESSMENT AREA

The bank's overall distribution of loans by borrower's income/revenue profile reflects poor penetration among businesses of different revenue sizes. Furthermore, the geographic distribution of loans reflects poor penetration throughout the St. Charles County assessment area. It is noted that the bank's lack of performance is primarily attributed to not entering the assessment area until May 2017. Therefore, the bank is still in the process of establishing itself as a lender in the market.

Loan Distribution by Borrower's Profile

The following table reflects the bank's distribution of business loans by gross annual business revenue and loan amount.

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2017 through December 31, 2017								
Gross Revenue	**Loan Amounts in $000s**						**TOTAL**	
	≤$100		**>$100 and ≤$250**		**>$250 and ≤$1,000**			
$1 Million or Less	1	12.5%	0	0.0%	1	12.5%	**2**	**25.0%**
Greater than $1 Million/Unknown	1	12.5%	0	0.0%	5	62.5%	**6**	**75.0%**
TOTAL	**2**	**25.0%**	**0**	**0.0%**	**6**	**75.0%**	**8**	**100%**
Dun & Bradstreet Businesses ≤ $1MM							**91.0%**	
2017 Small Business Aggregate Data							**50.4%**	

As shown above, 25.0 percent of the bank's small business loans were originated to businesses with annual revenues of $1 million or less. In comparison, demographic data provided by Dunn & Bradstreet indicates 91.0 percent of the businesses in the assessment area were small businesses. Additionally, the percentage of aggregate loans made to small businesses was 50.4 percent. Therefore, when compared to demographic and aggregate data, the bank's lending to small businesses in 2017 is poor.

Geographic Distribution of Loans

As of 2017, the assessment area contains one low- and seven moderate-income census tracts. The following table displays small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2017 small business aggregate data.

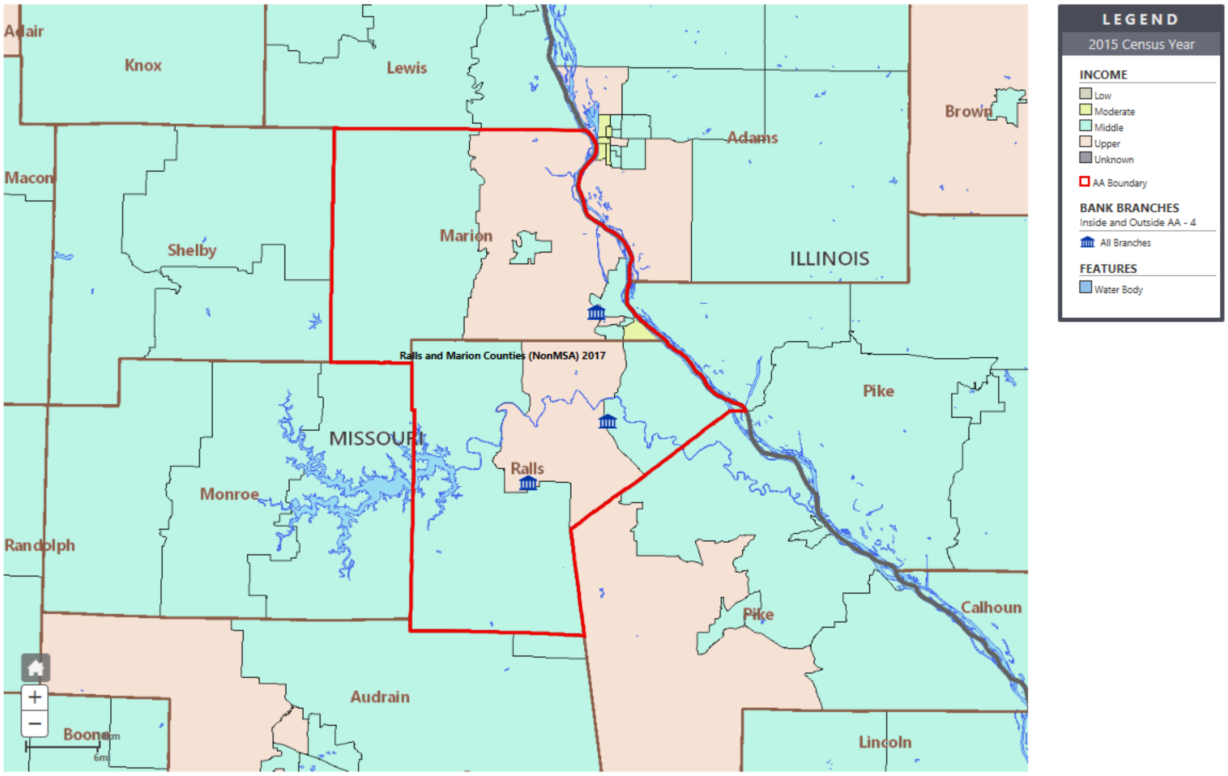
Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2017 through December 31, 2017												
	Geography Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Small Business Loans	0	0.0%	0	0.0%	6	75.0%	2	25.0%	0	0.0%	**8**	**100%**
Business Institutions	1.3%		11.0%		37.8%		49.9%		0.0%		**100%**	
2017 Small Business Aggregate	1.4%		10.7%		37.4%		50.0%		0.5%		**100%**	

The bank did not originate any small business loans in either low- or moderate-income census tracts in 2017. By comparison, 1.3 percent of businesses in the assessment area are in the low-income census tract and 11.0 percent are located in moderate-income census tracts. In addition, aggregate lending in the low-income tract was 1.4 percent and in the moderate-income tract was 10.7 percent. The bank's performance in the low-income census tract is considered reasonable because of the limited opportunity to lend, as seen by the extremely low demographic and aggregate figures. However, performance in the moderate-income census tracts is poor, given the lack of performance in relation to both comparisons. As such, the combined performance in LMI tracts is poor.

Lastly, based on a review of all loan categories, Saints Avenue Bank had loan activity in only 7.6 percent of all assessment area census tracts and no loans in any of the LMI census tracts. This is reflected in its overall poor geographic distribution rating. Nevertheless, gaps in lending were not considered conspicuous, given the bank's limited branching presence and its recent entry into the assessment area in May 2017.

Ralls/Marion County Assessment Area

Saints Avenue Bank - New London, MO 2019
Ralls and Marion Counties (NonMSA)

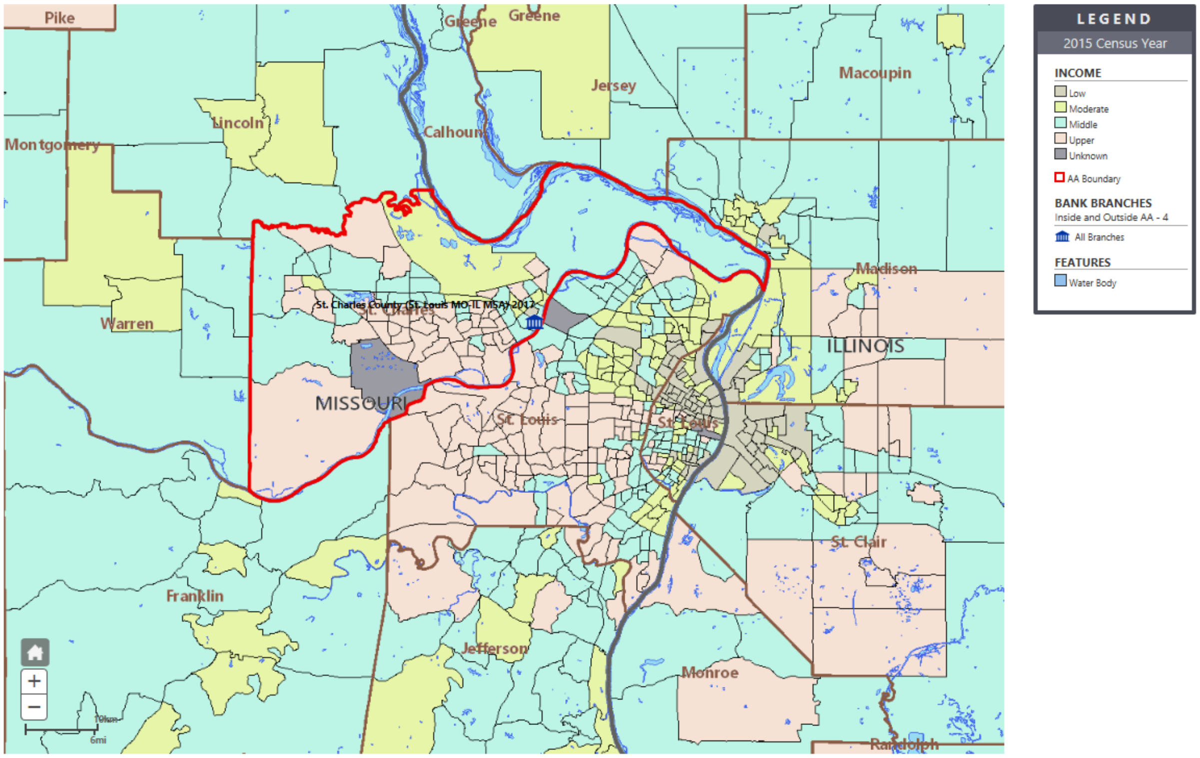


2017 PE Map

St. Charles County Assessment Area

Saints Avenue Bank - New London, MO 2019

St. Charles County (St. Louis MO-IL MSA)



2017 PE Map

GLOSSARY

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

Assessment area: One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community contact: Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

Community development: An activity associated with one of the following five descriptions: (1) <u>affordable housing</u> (including multifamily rental housing) for low- or moderate-income (LMI) individuals; (2) <u>community services</u> targeted to LMI individuals; (3) activities that promote <u>economic development</u> by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that <u>revitalize or stabilize</u> LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, income) used especially to identify markets.

Distressed nonmetropolitan middle-income geography: A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives 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 who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing affordability ratio: Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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

Median family income: The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

Metropolitan area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Nonmetropolitan statistical area (nonMSA): Not part of a metropolitan area (see metropolitan area).

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

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

Performance context: The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

Performance criteria: These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

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

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports 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.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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