PUBLIC DISCLOSURE

September 5, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Lindell Bank & Trust Company
RSSD #185859

6900 Clayton Avenue
Saint Louis, Missouri 63139

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.**

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

The Lending Test is rated:	**Satisfactory**
The Community Development Test is rated:	**Satisfactory**

Lindell Bank & Trust Company meets the criteria for a Satisfactory rating based on the evaluation of the bank's lending and community development activities. The factors supporting the institution's rating are as follows:

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

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

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

- The borrower's profile analysis reveals reasonable penetration among business and farms of different revenue sizes and individuals of different income levels, including low- and moderate-income (LMI) levels.

- There was one CRA-related complaint filed against the bank since the previous CRA evaluation, which management took appropriate action to address.

- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in its assessment area. The bank has responded to these needs through community development loans, qualified investments, and community development services.

- During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act[1] Payment Protection Program (PPP). The bank's participation in the PPP was also considered as part of the bank's rating.

SCOPE OF EXAMINATION

The bank's CRA performance was evaluated using the Federal Financial Institutions Examination Council's (FFIEC's) Intermediate Small Bank Examination Procedures. The intermediate small bank examination procedures entail two performance tests: the Lending Test and the Community Development Test. Small business and residential real estate loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based

[1] Coronavirus Aid, Relief, and Economic Security Act, signed into law on March 27, 2020.

on lending volume and the bank's stated business strategy. Therefore, the loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Additionally, bank performance by loan categories is often weighted by volume and assessment area impact when making overall performance conclusions. However, a review of loan activity during the evaluation period revealed that the bank has a particular emphasis on Home Mortgage Disclosure Act (HMDA) lending to business and investment property owners. As HMDA loans to business customers are oftentimes made to non-natural persons, such as corporations and partnerships, individual applicant income data is not reported, resulting in unknown income figures for these customers. Consequently, due to the frequent instances of unknown income figures, the analysis of HMDA loans by borrower distribution performance carries less weight, and therefore performance based on small business loans carried more weight when determining overall performance conclusions under this test.

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

Performance Criterion	Time Period
LTD Ratio	September 30, 2019 – June 30, 2023
Assessment Area Concentration	January 1, 2021 – December 31, 2021
Geographic Distribution of Loans	January 1, 2021 – December 31, 2021
Loan Distribution by Borrower's Profile	January 1, 2021 – December 31, 2021
Response to Written CRA Complaints	July 15, 2019 – September 4, 2023
Community Development Activities	July 15, 2019 – September 4, 2023

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain business and farm demographics are based on 2021 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 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 in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $769.9 million to $1.0 billion as of June 30, 2023.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

The review included community development activities initiated from the date of the bank's previous CRA evaluation to this review date. In addition, investments made prior to the date of the previous CRA evaluation, but still outstanding as of this review date, were also considered.

To augment this evaluation, two community contact interviews were utilized with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area. Information from these 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.

DESCRIPTION OF INSTITUTION

Lindell Bank & Trust Company is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by First Illinois Bancorp, Inc., a one-bank holding company headquartered in East St. Louis, Illinois. Since the previous examination, the bank acquired Rockwood Bank in April 2021, adding four branch locations and incorporating Rockwood's mortgage department into Lindell Bank and Trust Company's business model.

The bank's branch network consists of 15 full-service locations (including the main office) in Missouri and Illinois, all of which have full-service automated teller machines (ATMs) on site. During the examination period, the bank closed one branch located in a low-income census tract. The bank's main office, in addition to two other branches, is located in the city of St. Louis, with the remaining Missouri branches located in St. Charles County and St. Louis County. The bank also maintains one stand-alone, cash-dispensing-only ATM in St. Louis County. The bank's only Illinois locations are one full-service branch and one stand-alone, cash-dispensing-only ATM located in the city of East St. Louis. Based on this branch network, in addition to the bank's other services and delivery systems, such as extended banking hours of operation and full-service online banking capabilities, the bank is adequately positioned to deliver financial services to substantially all of its assessment area.

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 assessment area credit needs based on its available resources and financial products. As of June 30, 2023, the bank reported total assets of $865.8 million. As of the same date, loans and leases outstanding were $426.2 million (49.2 percent of total assets), and deposits totaled $728.8 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of June 30, 2023		
Credit Category	**Amount ($000s)**	**Percentage of Total Loans**
Commercial Real Estate	$158,977	37.3%
1–4 Family Residential	$170,193	39.9%
Commercial and Industrial	$39,851	9.3%
Construction and Development	$36,840	8.6%
Multifamily Residential	$12,870	3.0%
Loans to Individuals	$3,874	0.9%
Total Other Loans	$3,280	0.8%
Farmland	$338	0.1%
TOTAL	**$426,223**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources are directed to commercial real estate loans, loans secured by 1–4 family residential properties, and commercial and industrial loans. As noted previously, a significant portion of these residential real estate loans are made to business/investment property owners.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on July 15, 2019, by the Federal Reserve Bank of St. Louis.

DESCRIPTION OF ASSESSMENT AREA

General Demographics

The bank has delineated one assessment area, located within the St. Louis, Missouri-Illinois metropolitan statistical area (St. Louis MSA). The St. Louis MSA includes seven counties in Missouri and eight in Illinois. The assessment area consists of five counties in Missouri (Jefferson, Franklin, St. Charles, St. Louis, and St. Louis City) and two in Illinois (Madison and St. Clair). While there are no branches in Franklin County, the bank added the county to its assessment area due to the origination of a meaningful portion of its loans in the county. The assessment area is divided by the Mississippi River, which forms the border between Missouri and Illinois; however, the Missouri portion of the assessment area is much more populous. Consequently, the substantial majority of the assessment area's population of 2,449,944 is in Missouri, with St. Louis County representing the assessment area county with the largest population (1,001,327). According to the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2022, there were 86 FDIC-insured depository institutions, operating 673 branch offices in the assessment area, and the bank ranked 24th in terms of deposit market share, with 0.6 percent of the total assessment area deposit dollars.

While the entire St. Louis MSA covers an expansive region that includes some rural areas, the bank's assessment area is primarily a mix of urban and suburban geographies. Commercial lending represents a significant credit need in the assessment area, along with the need for a standard blend of consumer loan products. Additionally, community contacts identified affordable housing as a need throughout the assessment area. Contacts stated that there is also a need for Low Income Housing Tax Credit (LIHTC) investments. Subsequently, there is a high level of opportunity for financial institutions to lead or partner in support of community development activities in the St. Louis MSA. Another particular need in the assessment area, as noted primarily from community contacts, are small dollar loans to small businesses.

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	79	117	180	167	4	**547**
	14.4%	21.4%	32.9%	30.5%	0.7%	**100.0%**
Family Population	52,106	117,418	225,379	228,256	1,439	**624,598**
	8.3%	18.8%	36.1%	36.5%	0.2%	**100.0%**

As shown above, 35.8 percent of the census tracts in the assessment area are LMI geographies, but only 27.1 percent of the family population resides in these tracts. The largest portions of the assessment area family population reside in middle- and upper-income census tracts, representing 36.1 percent and 36.5 percent, respectively. Dense pockets of low- and moderate-income areas exist in South St. Louis City on the Missouri side; on the Illinois side, the LMI areas are concentrated around East St. Louis and Granite City.

Based on 2015 ACS data, the median family income for the assessment area was $71,338. At the same time, the median family income was $60,809 and $71,546 in Missouri and Illinois, respectively. More recently, the FFIEC estimates the 2021 median family income for the St. Louis MSA in its entirety to be $84,700. The following table displays population percentages of assessment area families by income level compared to the states of Missouri and Illinois family population as a whole.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	135,473	105,822	122,488	260,815	**624,598**
	21.7%	16.9%	19.6%	41.8%	**100%**
Missouri	327,271	274,380	319,267	609,088	**1,530,006**
	21.4%	17.9%	20.9%	39.8%	**100%**
Illinois	706,235	526,032	608,217	1,284,199	**3,124,683**
	22.6%	16.8%	19.5%	41.1%	**100%**

As shown in the table above, 38.6 percent of families within the assessment area were considered LMI, which is very similar to LMI family percentages for both Missouri (39.3 percent) and Illinois (36.4 percent). The percentage of families living below the poverty threshold in the assessment area, 9.8 percent, falls slightly below that of both Missouri (11.1 percent) and Illinois (10.5 percent). Considering these factors, the assessment area wealth demographics are largely reflective of the much broader, overall state figures used for comparison.

Housing Demographics

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$159,474	34.8	$827
Missouri	$138,400	34.8	$746
Illinois	$173,800	33.1	$907

Based on housing values, income levels, and rental costs, housing in the assessment area appears to be somewhat less affordable than overall housing costs in the state of Missouri but more affordable than in Illinois overall. The median housing value for the assessment area is $159,474, is above the state of Missouri ($138,400), but more affordable than in Illinois ($173,800). The assessment area housing affordability ratio of 34.8 percent is consistent with that of the state of Missouri (34.8 percent) but slightly higher than that of Illinois (33.1 percent). Lastly, the median gross monthly rent for the assessment area of $827 is higher than Missouri ($746), while lower than Illinois ($907).

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. According to the Bureau of Labor Statistics (BLS), there are 1,076,370 private sector-paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (18.3 percent), followed by retail trade (10.8 percent) and accommodation and food services (10.3 percent). The table below details unemployment data from the BLS (not seasonally adjusted) for the assessment area compared to the states of Missouri and Illinois as a whole.

Unemployment Levels for the Assessment Area			
Time Period (Annual Average)	**Assessment Area**	**Missouri**	**Illinois**
2019	3.1%	3.1%	4.0%
2020	6.8%	6.1%	9.2%
2021	4.7%	4.4%	6.1%
2022	3.4%	3.1%	4.8%

As shown in the table above, unemployment levels for the assessment area were generally consistent with unemployment levels for the state of Missouri and below that of the state of Illinois. Additionally, unemployment levels increased significantly in 2020 during the COVID-19 pandemic. While unemployment levels did not decline to pre-pandemic levels in 2022, there was a downward trend in unemployment for the assessment area and in both states in 2021 and 2022.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in this assessment area were evaluated. One contact interview was with an organization specializing in job creation and economic growth, while the second was with an organization specializing in community development and social service provision. Both contacts noted there is a lack of affordable housing in the assessment area. One contact indicated that higher home prices and interest rates have created challenges in making affordable housing available to low- and moderate-income borrowers. Additionally, the age of the housing stock coupled with limited services for underserved borrowers seeking home renovation assistance contributes to the lack of housing options. The second contact explained that entrepreneurship and new business development face both challenges and opportunities in the region. According to the contact, more emphasis and support have been placed on technology and innovation aimed at supporting business development. This work has brought together banking and higher education institutions, along with business support services in the region. While the contact welcomed these endeavors, they noted more needs to be done to support small business in the area, especially those that struggle to find access to flexible and affordable capital to start/scale their businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The chart below displays the bank's average LTD ratio in comparison to those of regional peers. The average LTD ratio represents a 17-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of June 30, 2023**	**Average LTD Ratio**
Lindell Bank & Trust Company	Saint Louis, Missouri	$865,833	57.2%
Regional Banks	Saint Louis, Missouri	$1,009,702	82.7%
	Clayton, Missouri	$967,705	81.1%
	Maplewood, Missouri	$769,904	88.8%

Based on data from the previous table, the bank's level of lending is below that of other banks in the region. At the beginning of the review period, September 30, 2019, the bank's LTD ratio was 62.7 percent, which subsequently dropped to a low of 50.3 percent before increasing to 56.2 percent as of June 30, 2023, with a 17-quarter average of 57.2 percent. In comparison, the average LTD ratios for the regional peers ranged from 81.1 percent to 88.8 percent, all of which were significantly above the bank's average LTD. Therefore, compared to data from regional banks, the bank's average LTD ratio is less than reasonable given the bank's size, financial condition, and assessment area credit needs.

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 area.

Lending Inside and Outside of Assessment Area January 1, 2021 through December 31, 2021						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
HMDA	177	92.7%	14	7.3%	**191**	**100%**
	38,387	93.3%	2,746	6.7%	**41,133**	**100%**
Small Business	58	90.6%	6	9.4%	**64**	**100%**
	13,279	90.2%	1,440	9.8%	**14,719**	**100%**
TOTAL LOANS	**235**	**92.2%**	**20**	**7.8%**	**255**	**100%**
	51,666	**92.5%**	**4,186**	**7.5%**	**55,852**	**100%**

A substantial majority of loans and other lending-related activities were made in the bank's assessment area. As shown above, 92.2 percent of the total loans were made inside the assessment area, accounting for 92.5 percent of the dollar volume of total loans.

Geographic Distribution of Loans

As noted previously, the assessment area includes 79 low-income and 117 moderate-income census tracts, representing 35.8 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the small business and HMDA loan categories. As previously stated, performance in the small business loan category carried the most significance in the overall rating of excellent for geographic distribution.

The following table displays 2021 small business loan activity by geography income level compared to the location of businesses throughout the bank's assessment area and 2021 small business aggregate data.

Geographic Distribution of Small Business Loans Assessment Area: St. Louis MSA							
Tract Income Levels	**2021**						
	Count			**Dollar**			**Businesses**
	Bank		**Aggregate**	**Bank**		**Aggregate**	
	#	**%**	**%**	**$ 000s**	**$ %**	**$ %**	**%**
Low	5	8.6%	6.3%	$1,285	9.7%	6.6%	7.0%
Moderate	10	17.2%	17.4%	$1,276	9.6%	18.1%	18.6%
Middle	19	32.8%	33.2%	$5,626	42.4%	31.4%	33.2%
Upper	21	36.2%	42.0%	$5,022	37.8%	41.8%	40.3%
Unknown	3	5.2%	1.1%	$71	0.5%	2.1%	0.9%
TOTAL	**58**	**100.0%**	**100.0%**	**$13,280**	**100.0%**	**100.0%**	**100.0%**

The bank's level of lending in low-income census tracts (8.6 percent) is consistent with the estimated percentage of businesses operating inside these census tracts (7.0 percent) and 2021 aggregate lending levels in low-income census tracts (6.3 percent). Therefore, the bank's performance in low-income areas is reasonable. The bank's percentage of loans in moderate-income census tracts (17.2 percent) is consistent with the 2021 aggregate lending percentage in moderate-income census tracts (17.4 percent) and the percentage of small businesses in moderate-income census tracts (18.6 percent), representing reasonable performance. Therefore, the bank's overall geographic distribution of small business loans is reasonable.

The following table displays the geographic distribution of 2021 HMDA loans compared to owner-occupied housing demographics and aggregate performance for the assessment area.

Geographic Distribution of HMDA Loans Assessment Area: St. Louis MSA								
Product Type	**Tract Income Levels**	**2021**						
		Count			**Dollar**			**Owner-Occupied Units**
		Bank		**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Home Purchase	Low	6	5.7%	2.8%	350	1.6%	1.3%	5.7%
	Moderate	26	24.5%	16.5%	4,152	18.6%	9.9%	17.6%
	Middle	36	34.0%	40.4%	7,086	31.8%	35.0%	38.0%
	Upper	37	34.9%	40.2%	10,328	46.3%	53.5%	38.7%
	Unknown	1	0.9%	0.2%	400	1.8%	0.2%	0.1%
	TOTAL	**106**	**100.0%**	**100.0%**	**22,316**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	6	10.5%	1.0%	641	6.4%	0.5%	5.7%
	Moderate	17	29.8%	9.9%	1,261	12.7%	6.2%	17.6%
	Middle	17	29.8%	37.8%	2,580	25.9%	30.9%	38.0%
	Upper	17	29.8%	51.2%	5,478	55.0%	62.3%	38.7%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.1%
	TOTAL	**57**	**100.0%**	**100.0%**	**9,960**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	1	16.7%	1.8%	86	6.2%	1.4%	5.7%
	Moderate	2	33.3%	9.8%	221	15.9%	6.4%	17.6%
	Middle	1	16.7%	33.8%	70	5.0%	28.3%	38.0%
	Upper	2	33.3%	54.5%	1,016	72.9%	63.9%	38.7%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.1%
	TOTAL	**6**	**100.0%**	**100.0%**	**1,393**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	1	12.5%	13.1%	20	0.4%	4.8%	13.7%
	Moderate	4	50.0%	33.0%	2,419	51.3%	21.4%	20.7%
	Middle	1	12.5%	37.9%	1,164	24.7%	30.0%	34.6%
	Upper	2	25.0%	15.0%	1,115	23.6%	42.3%	30.2%
	Unknown	0	0.0%	1.0%	0	0.0%	1.5%	0.9%
	TOTAL	**8**	**100.0%**	**100.0%**	**4,718**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	1.8%	0	0.0%	0.7%	5.7%
	Moderate	0	0.0%	8.4%	0	0.0%	5.0%	17.6%
	Middle	0	0.0%	32.9%	0	0.0%	24.1%	38.0%
	Upper	0	0.0%	56.8%	0	0.0%	70.1%	38.7%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.1%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/ Exempt	Low	0	0.0%	2.8%	0	0.0%	1.1%	5.7%
	Moderate	0	0.0%	14.9%	0	0.0%	7.1%	17.6%
	Middle	0	0.0%	37.4%	0	0.0%	25.6%	38.0%
	Upper	0	0.0%	44.8%	0	0.0%	66.1%	38.7%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.1%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	8.0%	0	0.0%	5.8%	5.7%
	Moderate	0	0.0%	25.4%	0	0.0%	18.4%	17.6%
	Middle	0	0.0%	44.1%	0	0.0%	43.5%	38.0%
	Upper	0	0.0%	22.5%	0	0.0%	32.2%	38.7%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.1%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	14	7.9%	1.8%	1,097	2.9%	1.0%	5.7%
	Moderate	49	27.7%	12.6%	8,053	21.0%	8.3%	17.6%
	Middle	55	31.1%	38.7%	10,900	28.4%	32.5%	38.0%
	Upper	58	32.8%	46.8%	17,937	46.7%	58.0%	38.7%
	Unknown	1	0.6%	0.1%	400	1.0%	0.2%	0.1%
	TOTAL	**177**	**100.0%**	**100.0%**	**38,387**	**100.0%**	**100.0%**	**100.0%**

The analysis of HMDA loans revealed excellent lending performance to residential properties located in low-income geographies. The bank's lending in low-income census tracts by number of loans (7.9 percent) far exceeds aggregate lending levels (1.8 percent) and exceeds the percentage of housing units in low-income census tracts (5.7 percent). Similarly, bank performance in moderate-income census tracts (27.7 percent) more than doubled aggregate lending levels (12.6 percent), while also exceeding the percentage of housing units in moderate-income census tracts (17.6 percent), reflecting excellent performance. Combined, the bank's geographic distribution of HMDA loans in LMI geographies is excellent.

Lastly, a dispersion analysis of both loan categories was performed. The analysis found the bank had lending in 26.5 percent of assessment area census tracts. This performance was comparable to the bank's lending penetration in low- and moderate-income census tracts (22.0 percent) and the bank's combined lending penetration in middle- and upper-income census tracts (28.8 percent). Given the bank's branching network and expansive assessment area covering a wide geographic area, no conspicuous lending gaps were identified. This information supports the conclusion that the bank's overall geographic distribution of loans is reasonable.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable. The bank's lending to small businesses was deemed reasonable and carried the most weight of the two products, while the bank's performance lending to borrowers of different incomes, which carried less weight, was considered poor.

Small business loans were reviewed to determine the bank's lending levels to businesses of different sizes. The following table shows the distribution of 2021 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: St. Louis MSA										
Business Revenue and Loan Size			**2021**							
			Count			**Dollars**			**Total Businesses**	
			Bank		**Aggregate**	**Bank**		**Aggregate**		
			#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**	
Business Revenue		$1 Million or Less	28	48.3%	50.7%	$5,816	43.8%	29.8%	90.1%	
		Over $1 Million/ Unknown	30	51.7%	49.3%	$7,464	56.2%	70.2%	9.9%	
		TOTAL	**58**	**100.0%**	**100.0%**	**$13,280**	**100.0%**	**100.0%**	**100.0%**	
Loan Size		$100,000 or Less	27	46.6%	89.2%	$1,219	9.2%	27.7%		
		$100,001–$250,000	12	20.7%	5.4%	$2,062	15.5%	17.3%		
		$250,001–$1 Million	19	32.8%	5.4%	$9,999	75.3%	55.0%		
		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%		
		TOTAL	**58**	**100.0%**	**100.0%**	**$13,280**	**100.0%**	**100.0%**		
Loan Size	**Revenue $1 Million or Less**	$100,000 or Less	13	46.4%		$576	9.9%			
		$100,001–$250,000	7	25.0%		$1,138	19.6%			
		$250,001–$1 Million	8	28.6%		$4,102	70.5%			
		Over $1 Million	0	0.0%		$0	0.0%			
		TOTAL	**28**	**100.0%**		**$5,816**	**100.0%**			

As shown in the table above, the bank originated 48.3 percent of its small business loans to businesses with revenues of $1 million or less. This performance was comparable to 2021 aggregate lending levels of (50.7 percent) yet trailed the demographic estimate of small businesses in the assessment (90.1 percent). As was aforementioned, more emphasis is placed on the bank's performance in comparison to aggregate lending levels, as it is deemed a more responsive measure of opportunity in an assessment area. Therefore, the bank's level of lending to small businesses is reasonable.

Next, HMDA loans were reviewed to determine the bank's lending to borrowers of different income levels. 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 ($84,700 for the St. Louis MSA as of 2021) or considered unknown/not applicable if the borrower is a non-natural person. The following table shows the distribution of HMDA reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2021 aggregate data for the assessment area is displayed.

Borrower Distribution of HMDA Loans
Assessment Area: St. Louis MSA

Product Type	Borrower Income Levels	2021						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	2	1.9%	10.6%	322	1.4%	5.3%	21.7%
	Moderate	5	4.7%	19.7%	695	3.1%	14.0%	16.9%
	Middle	7	6.6%	18.3%	1,913	8.6%	17.4%	19.6%
	Upper	14	13.2%	28.2%	3,851	17.3%	41.0%	41.8%
	Unknown	78	73.6%	23.2%	15,535	69.6%	22.2%	0.0%
	TOTAL	**106**	**100.0%**	**100.0%**	**22,316**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	4	7.0%	6.5%	663	6.7%	3.2%	21.7%
	Moderate	6	10.5%	15.3%	666	6.7%	10.3%	16.9%
	Middle	4	7.0%	19.9%	864	8.7%	16.7%	19.6%
	Upper	6	10.5%	34.9%	1,702	17.1%	46.0%	41.8%
	Unknown	37	64.9%	23.5%	6,065	60.9%	23.8%	0.0%
	TOTAL	**57**	**100.0%**	**100.0%**	**9,960**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	7.1%	0	0.0%	3.9%	21.7%
	Moderate	0	0.0%	14.9%	0	0.0%	10.3%	16.9%
	Middle	0	0.0%	21.9%	0	0.0%	18.4%	19.6%
	Upper	2	33.3%	51.4%	236	16.9%	59.2%	41.8%
	Unknown	4	66.7%	4.8%	1,157	83.1%	8.2%	0.0%
	TOTAL	**6**	**100.0%**	**100.0%**	**1,393**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.2%	0	0.0%	0.0%	13.7%
	Moderate	1	12.5%	0.7%	161	3.4%	0.0%	20.7%
	Middle	0	0.0%	0.5%	0	0.0%	0.1%	34.6%
	Upper	0	0.0%	4.0%	0	0.0%	0.7%	30.2%
	Unknown	7	87.5%	94.7%	4,557	96.6%	99.2%	0.9%
	TOTAL	**8**	**100.0%**	**100.0%**	**4,718**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	6.3%	0	0.0%	2.9%	21.7%
	Moderate	0	0.0%	14.6%	0	0.0%	7.8%	16.9%
	Middle	0	0.0%	20.3%	0	0.0%	13.8%	19.6%
	Upper	0	0.0%	54.4%	0	0.0%	72.4%	41.8%
	Unknown	0	0.0%	4.4%	0	0.0%	3.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	10.9%	0	0.0%	4.9%	21.7%
	Moderate	0	0.0%	15.9%	0	0.0%	10.3%	16.9%
	Middle	0	0.0%	22.4%	0	0.0%	14.5%	19.6%
	Upper	0	0.0%	42.6%	0	0.0%	59.0%	41.8%
	Unknown	0	0.0%	8.1%	0	0.0%	11.3%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	2.8%	0	0.0%	2.1%	21.7%
	Moderate	0	0.0%	1.6%	0	0.0%	2.0%	16.9%
	Middle	0	0.0%	0.9%	0	0.0%	1.5%	19.6%
	Upper	0	0.0%	0.7%	0	0.0%	0.9%	41.8%
	Unknown	0	0.0%	93.9%	0	0.0%	93.5%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	6	3.4%	8.0%	985	2.6%	3.9%	21.7%
	Moderate	12	6.8%	16.8%	1,522	4.0%	11.3%	16.9%
	Middle	11	6.2%	19.1%	2,777	7.2%	16.2%	19.6%
	Upper	22	12.4%	32.7%	5,789	15.1%	42.3%	41.8%
	Unknown	126	71.2%	23.4%	27,314	71.2%	26.2%	0.0%
	TOTAL	**177**	**100.0%**	**100.0%**	**38,387**	**100.0%**	**100.0%**	**100.0%**

According to the preceding table, the bank's percentage of lending to low-income borrowers (3.4 percent) is substantially below the low-income family population figure (21.7 percent) and below the 2021 aggregate lending level to low-income borrowers (8.0 percent), reflecting poor performance. Similarly, the bank's level of lending to moderate-income borrowers (6.8 percent) is below the moderate-income family population percentage (16.9 percent) and the 2021 aggregate lending level to moderate-income borrowers (16.8 percent), reflecting poor performance. However, as demonstrated in the table above, a substantial number (126, or 71.2 percent) of the bank's HMDA loans are to borrowers with unknown incomes. As mentioned in the *Scope of Examination* section, these loans are primarily to non-natural persons and entities such as corporations or partnerships. Therefore, considering performance to both income categories, the bank's overall distribution of HMDA loans by borrower's profile is poor.

<u>Responses to Complaints</u>

One CRA-related complaint was filed against the bank during this review period (July 15, 2019 through September 4, 2023). The complaint was reviewed, and upon this Reserve Bank's analysis, it was determined that the bank's management responded appropriately.

<u>COMMUNITY DEVELOPMENT TEST</u>

The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of the assessment area, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments, and community development services.

During the review period, the bank made 174 qualifying loans totaling approximately $14.6 million. Of those loans, 160 loans totaling $10.2 million were PPP loans made to small businesses that helped revitalize/stabilize LMI geographies or that promoted economic development during the COVID-19 pandemic. The remaining 13 community development loans totaled $4.3 million and were made to businesses and organizations within the bank's assessment area. These included two loans promoting economic development totaling $178,461, three loans supporting revitalization and stabilization of LMI geographies totaling $613,047, seven loans supporting community services for LMI totaling $3.3 million, and one affordable housing loan for $216,460.

Community development investments and donations made to the assessment area totaled $2.1 million. This amount included 12 LIHTC investments, with eight made during the current period and four from the prior period that remain in the bank's portfolio. Furthermore, the bank made four donations to community development organizations serving the assessment area, which totaled $1,350.

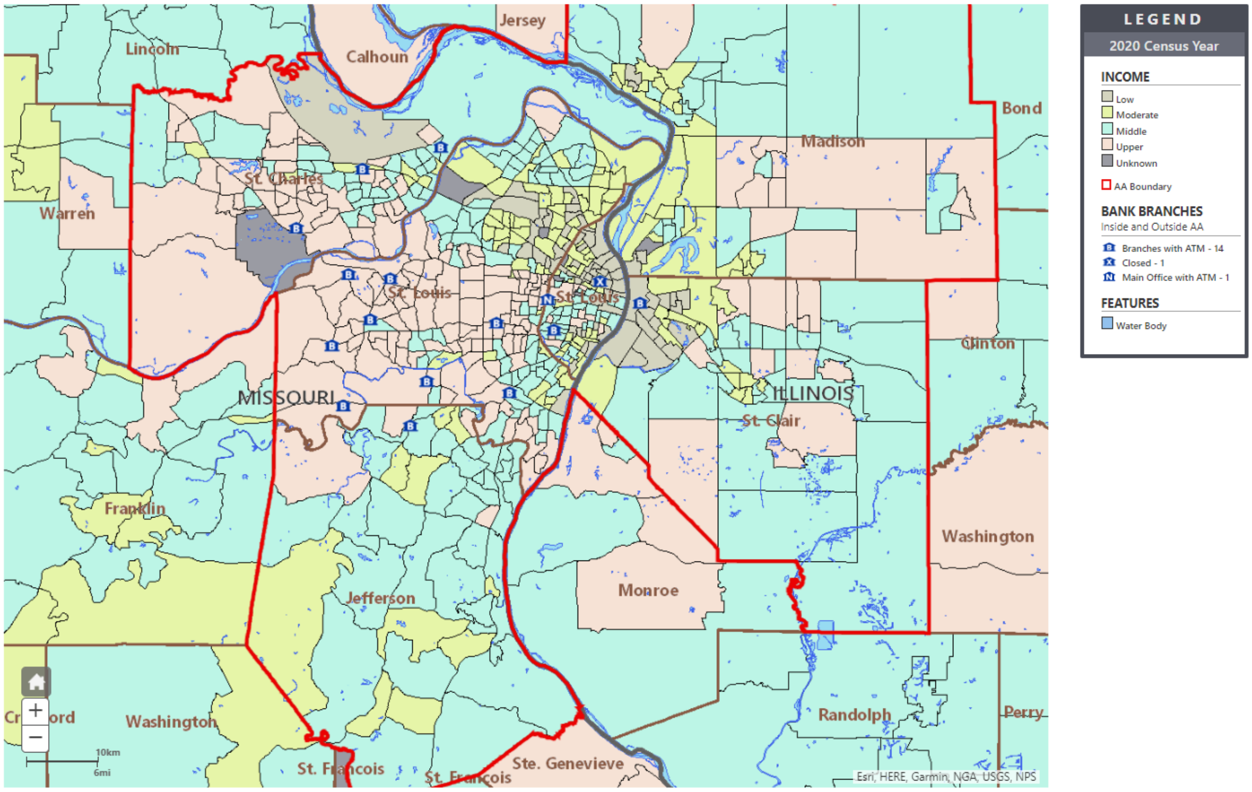
In addition, employees contributed community development services to 34 different agencies, totaling approximately 413 hours of service.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Concurrent CA/CRA examinations conducted, no fair lending issues: 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.

ASSESSMENT AREA DETAIL

Lindell BTC - St. Louis, MO-IL 2023
St. Louis, MO-IL MSA AA



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) affordable housing (including multifamily rental housing) for low- or moderate-income individuals; (2) community services targeted to low- or moderate-income individuals; (3) activities that promote economic development 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 revitalize or stabilize low- or moderate-income 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, and 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 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 (MA): 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 by either 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.