PUBLIC DISCLOSURE

April 17, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Town & Country Bank
RSSD #487357

1009 East Scenic Rivers Boulevard
Salem, Missouri 65560

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

Town & Country Bank 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 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.

- Distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income (LMI)) and farms of different revenue sizes.

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

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

- The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas. 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] Paycheck Protection Program (PPP). The bank's participation in the PPP was also considered in the bank's rating.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) intermediate small bank procedures. The intermediate small bank examination procedures entail two performance tests: the Lending Test and the Community Development Test. The bank maintains operations in two delineated assessment areas within the state of Missouri, and bank performance under the two CRA tests is rated at the institution level.

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

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, 2022.

Assessment Area	Offices		Deposits as of June 30, 2022		Review Procedures
	#	%	$ (000s)	%	
Central Missouri	9	90.0%	$595,520	93.2%	Full Scope
St. Louis MSA	1	10.0%	$43,545	6.8%	Full Scope
OVERALL	**10**	**100%**	**$639,065**	**100%**	**2 – Full Scope**

In light of branch structure, loan and deposit activity, and the bank's CRA evaluation history, CRA performance in the Central Missouri assessment area was given primary consideration, as it contains the majority of the bank's loan and deposit activity.

Furthermore, Home Mortgage Disclosure Act (HMDA) loans, small farm loans, and consumer motor vehicle loans were used to evaluate the bank's lending performance, as these loan categories are considered the bank's core business lines based 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. However, as the bank has a particular emphasis on home mortgage lending, performance based on the HMDA loan category carried the most significance toward the bank's overall performance conclusions. Additionally, in the St. Louis MSA assessment area, the bank's limited volume of small farm and consumer motor vehicle loans was not supportive of meaningful analyses. Consequently, borrower and geographic performance conclusions in the St. Louis MSA assessment area are based solely on the HMDA loan product.

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

Performance Criterion	Time Period
LTD Ratio	June 30, 2019 – March 31, 2023
Assessment Area Concentration	January 1, 2021 – December 31, 2021
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	May 19, 2019 – April 16, 2023
Community Development Activities	

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 U.S. Census American Community Survey (ACS) data; certain 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 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 $250.1 million to $678.3 million as of March 31, 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 areas.

- 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, four community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the assessment areas. 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 applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

Town & Country Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Town & Country Bancshares, Inc., a one-bank holding company; the bank and its holding company are both headquartered in Salem, Missouri. The bank's branch network consists of ten offices (including the main office); six have deposit-taking automated teller machines (ATMs), and four have cash-dispensing-only ATMs on site. All branches are full-service facilities with drive-up accessibility. In addition, the bank operates two stand-alone ATMs that are cash-dispensing only. The bank did not open or close any branch offices during this review period. Based on this branch network and other service delivery systems such as extended banking hours of operation and full-service online banking capabilities, the bank is well positioned to deliver financial services to nearly all of its assessment areas. However, geographic constraints may hinder the bank from fully serving the entirety of St. Louis City and St. Louis County in the St. Louis MSA 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 the credit needs of its assessment areas based on its available resources and financial products. As of March 31, 2023, the bank reported total assets of $678.4 million. As of the same date, loans and leases outstanding were $419.0 million (61.8 percent of total assets), and deposits totaled $592.2 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of March 31, 2023		
Credit Category	**Amount $ (000s)**	**Percentage of Total Loans**
Construction and Development	$27,686	6.6%
Commercial Real Estate	$45,623	10.9%
Multifamily Residential	$6,860	1.6%
1–4 Family Residential	$190,344	45.4%
Farmland	$97,016	23.2%
Farm Loans	$14,645	3.5%
Commercial and Industrial	$15,346	3.7%
Loans to Individuals	$18,388	4.4%
Total Other Loans	$2,288	0.6%
TOTAL	**$419,027**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources is directed to 1–4 family residential HMDA loans and loans secured by farmland. The bank also originates and subsequently sells a significant volume of HMDA loans. As these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table. While not reflected in the previous table, it is also worth noting that by number of loans originated, loans to individuals (such as consumer motor vehicle loans) represent a significant product offering for the bank. Consumer loans not related to residential real estate are typically made in smaller dollar amounts relative to other credit products.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on May 20, 2019.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Town & Country Bank meets the standards for a satisfactory Lending Test rating under the intermediate 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 March 31, 2023	Average LTD Ratio
Town & Country Bank	Salem, Missouri	$678,429	75.0%
Regional Banks	Rolla, Missouri	$492,396	62.3%
	Cuba, Missouri	$250,097	71.4%
	Greenville, Missouri	$678,317	81.2%

Based on data from the previous table, the bank's level of lending is comparable to those of other banks in the region. During the review period, the bank's quarterly LTD ratio experienced a generally decreasing trend with a 16-quarter average of 75.0 percent. In comparison, the average LTD ratios for regional peers were similar, with a generally decreasing or stable trend. 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, 2021 through December 31, 2021						
Loan Type	**Inside Assessment Areas**		**Outside Assessment Areas**		**TOTAL**	
HMDA	408	87.4%	59	12.6%	**467**	**100%**
	$52,077	82.0%	$11,437	18.0%	**$63,514**	**100%**
Small Farm	108	75.0%	36	25.0%	**144**	**100%**
	$7,821	73.8%	$2,783	26.2%	**$10,604**	**100%**
Consumer Motor Vehicle	152	88.9%	19	11.1%	**171**	**100%**
	$1,872	86.4%	$294	13.6%	**$2,166**	**100%**
TOTAL LOANS	668	85.4%	114	14.6%	**782**	**100%**
	$61,770	81.0%	$14,514	19.0%	**$76,284**	**100%**

A majority of loans and other lending-related activities were made in the bank's assessment areas. As shown above, 85.4 percent of the total loans were made inside the assessment areas, accounting for 81.0 percent of the dollar volume of total loans.

Borrower and Geographic 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 Central Missouri and St. Louis MSA assessment areas, with the greatest emphasis on the Central Missouri assessment area.

Assessment Area	Loan Distribution by Borrower's Profile
Central Missouri	Reasonable
St. Louis MSA	Reasonable
OVERALL	**REASONABLE**

Overall distribution of lending by income level of the census tract reflects reasonable penetration throughout the bank's assessment areas, as displayed in the following table.

Assessment Area	Geographic Distribution of Loans
Central Missouri	Reasonable
St. Louis MSA	Reasonable
OVERALL	**REASONABLE**

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (May 19, 2019 through April 16, 2023).

COMMUNITY DEVELOPMENT TEST

Town & Country Bank's performance under the Community Development Test is rated satisfactory. The bank demonstrates adequate responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment areas.

Full-Scope Assessment Area	Community Development Test Performance Conclusions
Central Missouri	Adequate
St. Louis MSA	Adequate
OVERALL	**ADEQUATE**

During the review period, the bank made 26 qualifying loans in its assessment areas totaling $5.6 million. The bank's community development lending activity included seven PPP loans totaling $2.4 million to businesses located in LMI or underserved geographies. These PPP loans were deemed responsive to area community development needs and positively affected the bank's overall rating. Of the remaining qualified loans, a majority were to help revitalize and stabilize LMI areas and provide community services that benefitted LMI individuals and families.

The bank also made $4.8 million in qualifying investments and provided 273 donations totaling $94,314. Nearly all qualified donations were made to qualifying school districts serving a majority of students from LMI families or to community service organizations that primarily serve LMI individuals and families. In addition, during the review period, bank personnel used financial expertise to log 52 service activities to 26 different community development organizations within the assessment areas.

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.

CENTRAL MISSOURI ASSESSMENT AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CENTRAL MISSOURI ASSESSMENT AREA

Bank Structure

The bank operates nine of its ten offices in this assessment area, representing 90.0 percent of the bank's total branches. Five branches have a deposit-taking ATM on site, and four branches have cash-dispensing-only ATMs on site. The bank also operates two stand-alone cash-dispensing ATMs in this assessment area. Of the bank branches in this assessment area, one is located in a low-income census tract, three are located in moderate-income census tracts, and two are located in distressed middle-income census tracts. Since the last examination, the bank did not open or close any branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to substantially all of the assessment area.

General Demographics

The assessment area is located in central Missouri and comprises Crawford, Dent, Douglas, Phelps, Texas, and Wright counties in their entireties. In addition, the assessment area includes a portion of Franklin County, Missouri, which is contiguous to Crawford County. As of 2015, the assessment area population was 154,988. The following table lists the counties in the bank's assessment area along with their respective populations.

County	Population
Crawford County	24,660
Dent County	15,612
Douglas County	13,516
Franklin County (Partial)	11,987
Phelps County	45,029
Texas County	25,735
Wright County	18,449
TOTAL ASSESSMENT AREA POPULATION	**154,988**

Of the 37 FDIC-insured depository institutions with a branch presence in the counties within this assessment area, the bank ranked third in deposit market share, encompassing 9.1 percent ($595,520) of total deposit dollars in the assessment area counties.

Credit needs in the assessment area include a mix of consumer, agricultural, and business loan products. Other particular credit needs in the assessment area, as noted primarily from community contacts, include loan and deposit products for people with lower incomes, as well as affordable housing and small farm lending.

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	22	4	0	**34**
	2.9%	20.6%	64.7%	11.8%	0.0%	**100%**
Family Population	569	8,424	25,195	4,424	0	**38,612**
	1.5%	21.8%	65.3%	11.5%	0.0%	**100%**

As shown above, 23.5 percent of the census tracts in the assessment area are LMI geographies, and 23.3 percent of the family population resides in these tracts. The low-income census tract is located in Salem, Missouri (Dent County). The moderate-income census tracts are located in Franklin County, Phelps County, and in the southern portion of the assessment area in Douglas, Texas, and Wright counties. The majority of the census tracts in the assessment area (64.7 percent) are middle-income, and 65.3 percent of the population resides in those census tracts. Eight of the 22 middle-income census tracts are distressed and are dispersed throughout Dent, Texas, and Wright counties.

Based on 2020 U.S. Census data, the median family income for the assessment area was $60,827. At the same time, the median family income for nonMSA Missouri was $56,957. More recently, the FFIEC estimates 2021 median family income for nonMSA Missouri to be $55,700. The following table displays population percentages of assessment area families by income level compared to nonMSA Missouri.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	8,808	7.715	8,066	14,023	**38,612**
	22.8%	20.0%	20.9%	36.3%	**100%**
NonMSA Missouri	81,150	72,084	84,064	159,212	**396,510**
	20.5%	18.2%	21.2%	40.2%	**100%**

As shown in the table above, 42.8 percent of families within the assessment area were considered LMI, which is higher than the LMI family percentage of 38.7 percent in nonMSA Missouri. The percentage of families living below the poverty level in the assessment area, 15.3 percent, is above the 14.2 percent level in nonMSA Missouri as a whole. Considering these factors, the assessment area appears less affluent than nonMSA Missouri as a whole.

Housing Demographics

As displayed in the following table, homeownership in the assessment area is less affordable as compared to all of nonMSA Missouri; however, rental costs reflect an affordable option, overall.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$105,044	34.7%	$602
Crawford County, Missouri	$111,600	32.9%	$603
Dent County, Missouri	$88,700	41.5%	$511
Douglas County, Missouri	$101,200	30.2%	$560
Franklin County, Missouri (Partial)	$149,400	32.5%	$696
Phelps County, Missouri	$114,500	36.4%	$662
Texas County, Missouri	$99,300	35.3%	$521
Wright County, Missouri	$88,200	33.8%	$522
NonMSA Missouri	$100,293	38.0%	$611

Median gross rents varied by county in the assessment area from a low of $511 in Dent County to a high of $696 in Franklin County. The overall median gross rent for the entire assessment area was $602, which is below the median gross rent for all of nonMSA Missouri. Affordability ratios in the assessment area also varied, ranging from a high of 41.5 percent in Dent County to a low of 30.2 percent in Douglas County, with an overall affordability ratio of 34.7 percent. Six of seven assessment area counties have an affordability ratio below the nonMSA Missouri figure of 38.0 percent, reflecting less affordable homeownership.

Industry and Employment Demographics

The assessment area supports a diverse business community, including manufacturing, service-oriented businesses, and small farms, as evidenced by the Dun & Bradstreet data that indicates 99.1 percent of assessment area farms have gross annual revenues of $1 million or less. According to the U.S. Department of Labor, Bureau of Labor Statistics (BLS), there are 81,368 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are government (19.3 percent), manufacturing (17.7 percent), and retail trade (13.6 percent).

The table below details unemployment data from the BLS (not seasonally adjusted) for the assessment area compared to nonMSA Missouri.

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2019	**2020**	**2021**	**2022 (as of August)**
Crawford County	3.6%	6.4%	4.5%	3.4%
Dent County	3.4%	4.8%	4.3%	3.6%
Douglas County	4.8%	7.6%	4.3%	3.2%
Franklin County (Partial)	3.0%	6.1%	4.0%	2.8%
Phelps County	3.1%	4.7%	3.7%	2.9%
Texas County	4.3%	5.7%	4.6%	3.5%
Wright County	5.0%	7.0%	4.0%	3.2%
Assessment Area Average	**3.4%**	**5.9%**	**4.1%**	**3.0%**
NonMSA Missouri	3.8%	6.1%	4.4%	3.4%

As shown in the table above, unemployment levels varied among individual counties within the assessment area. For each year of the review period, unemployment in the assessment area was below that of nonMSA Missouri. Overall, unemployment rates for both the assessment area and nonMSA Missouri experienced increases in 2020 due to the economic disruption resulting from the COVID-19 pandemic; however, it appears both have since recovered to pre-pandemic levels of unemployment.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in the Central Missouri assessment area were evaluated. The interviews were conducted with representatives from an economic development office and an agency that specializes in small farms. The interviewees categorized the local economy as largely rural, supported by traditional small businesses, and recovering from hardships caused by the COVID-19 pandemic. While there are plenty of banking options available, the contacts indicate loan and deposit products for lower-income individuals and loan products for small start-up farms are a need within the community. In addition, affordable housing options are becoming increasingly difficult to find, as housing prices continue to rise.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CENTRAL MISSOURI ASSESSMENT AREA

LENDING TEST

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

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from all three loan categories reviewed. In reaching overall conclusions, greater emphasis was placed on HMDA loans, followed by small farm and consumer motor vehicle loans.

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 ($55,700 for nonMSA Missouri as of 2021). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and the 2021 HMDA aggregate performance for the assessment area.

Borrower Distribution of HMDA Loans Assessment Area: Central Missouri									
Product Type	Borrower Income Levels	2021							
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	9	4.8%	6.5%	568	2.3%	3.6%	22.8%
	Moderate	41	21.7%	19.9%	3,278	13.5%	14.7%	20.0%
	Middle	36	19.0%	20.0%	3,694	15.2%	19.0%	20.9%
	Upper	77	40.7%	31.7%	13,657	56.4%	41.2%	36.3%
	Unknown	26	13.8%	21.9%	3,037	12.5%	21.5%	0.0%
	TOTAL	**189**	**100.0%**	**100.0%**	**24,234**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	5	3.5%	5.8%	386	2.4%	2.9%	22.8%
	Moderate	38	27.0%	13.4%	2,947	18.1%	9.8%	20.0%
	Middle	27	19.1%	17.6%	2,312	14.2%	15.5%	20.9%
	Upper	57	40.4%	35.5%	8,831	54.2%	41.1%	36.3%
	Unknown	14	9.9%	27.7%	1,826	11.2%	30.7%	0.0%
	TOTAL	**141**	**100.0%**	**100.0%**	**16,302**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	1	12.5%	8.7%	150	21.8%	3.8%	22.8%
	Moderate	2	25.0%	20.3%	64	9.3%	16.1%	20.0%
	Middle	1	12.5%	23.2%	150	21.8%	17.4%	20.9%
	Upper	3	37.5%	36.2%	289	42.0%	50.9%	36.3%
	Unknown	1	12.5%	11.6%	35	5.1%	11.8%	0.0%
	TOTAL	**8**	**100.0%**	**100.0%**	**688**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	22.8%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	20.0%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	20.9%
	Upper	4	30.8%	2.9%	764	24.4%	4.8%	36.3%
	Unknown	9	69.2%	97.1%	2,365	75.6%	95.2%	0.0%
	TOTAL	**13**	**100.0%**	**100.0%**	**3,129**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	15	4.2%	6.1%	1,104	2.4%	3.2%	22.8%
	Moderate	85	23.5%	16.7%	6,516	14.4%	12.1%	20.0%
	Middle	66	18.3%	18.7%	6,217	13.7%	16.9%	20.9%
	Upper	144	39.9%	33.1%	24,081	53.2%	40.1%	36.3%
	Unknown	51	14.1%	25.5%	7,333	16.2%	27.7%	0.0%
	TOTAL	**361**	**100.0%**	**100.0%**	**45,251**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (4.2 percent) is substantially below the low-income family population figure (22.8 percent) but nearing the 2021 aggregate lending level to low-income borrowers (6.1 percent), reflecting reasonable performance. The bank's lending to moderate-income borrowers (23.5 percent) is above the moderate-income family population percentage (20.0 percent), as well as the aggregate lending levels (16.7 percent), reflecting excellent performance. Therefore, considering performance to LMI categories, the bank's overall distribution of HMDA loans by borrower profile is reasonable.

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

<table>
<tr><th colspan="10">Small Farm Loans by Revenue and Loan Size
Assessment Area: Central Missouri</th></tr>
<tr><th colspan="3" rowspan="4">Farm Revenue and Loan Size</th><th colspan="7">2021</th></tr>
<tr><th colspan="3">Count</th><th colspan="3">Dollars</th><th rowspan="2">Farms</th></tr>
<tr><th colspan="2">Bank</th><th>Aggregate</th><th colspan="2">Bank</th><th>Aggregate</th></tr>
<tr><th>#</th><th>%</th><th>%</th><th>$ (000s)</th><th>$ %</th><th>$ %</th><th>%</th></tr>
<tr><td colspan="2" rowspan="3">Farm Revenue</td><td>$1 Million or Less</td><td>106</td><td>100.0%</td><td>75.2%</td><td>7,716</td><td>100.0%</td><td>85.6%</td><td>99.1%</td></tr>
<tr><td>Over $1 Million/ Unknown</td><td>0</td><td>0.0%</td><td>24.8%</td><td>0</td><td>0.0%</td><td>14.4%</td><td>0.9%</td></tr>
<tr><td>TOTAL</td><td>106</td><td>100.0%</td><td>100.0%</td><td>7,716</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td colspan="2" rowspan="5">Loan Size</td><td>$100,000 or Less</td><td>85</td><td>80.2%</td><td>83.0%</td><td>2,629</td><td>34.1%</td><td>33.1%</td><td rowspan="10"></td></tr>
<tr><td>$100,001–$250,000</td><td>14</td><td>13.2%</td><td>11.6%</td><td>2,674</td><td>34.7%</td><td>33.9%</td></tr>
<tr><td>$250,001–$500,000</td><td>7</td><td>6.6%</td><td>5.4%</td><td>2,413</td><td>31.3%</td><td>33.0%</td></tr>
<tr><td>Over $500,000</td><td>0</td><td>0.0%</td><td>0.0%</td><td>0</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>TOTAL</td><td>106</td><td>100.0%</td><td>100.0%</td><td>7,716</td><td>100.0%</td><td>100.0%</td></tr>
<tr><td rowspan="5">Loan Size</td><td rowspan="5">Revenue $1 Million or Less</td><td>$100,000 or Less</td><td>85</td><td>80.2%</td><td rowspan="5"></td><td>2,629</td><td>34.1%</td><td rowspan="5"></td></tr>
<tr><td>$100,001–$250,000</td><td>14</td><td>13.2%</td><td>2,674</td><td>34.7%</td></tr>
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$1 Million</td><td>7</td><td>6.6%</td><td>2,413</td><td>31.3%</td></tr>
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<tr><td>TOTAL</td><td>106</td><td>100.0%</td><td>7,716</td><td>100.0%</td></tr>
</table>

The bank's level of lending to small farms is excellent. The bank originated all of its farm loans to farms with revenues of $1 million or less. In comparison, assessment area demographics estimate that 99.1 percent of farms in the assessment area had annual revenues of $1 million or less, and the 2021 aggregate lending level to small farms is 75.2 percent.

As with the two previous loan categories, the distribution of consumer motor vehicle loans was also analyzed by the borrower's income profile. The following table displays the distribution of consumer motor vehicle loans by income level of the borrower compared to the household population income characteristics.

Borrower Distribution of Consumer Motor Vehicle Loans Assessment Area: Central Missouri					
Borrower Income Levels	**2021**				
	Count		**Dollar**		**Households**
	#	**%**	**$ (000s)**	**$ %**	**%**
Low	36	24.8%	$238	13.5%	27.0%
Moderate	31	21.4%	$254	14.5%	17.0%
Middle	42	29.0%	$519	29.5%	18.0%
Upper	36	24.8%	$746	42.5%	38.0%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**145**	**100.0%**	**$1,757**	**100.0%**	**100.0%**

The table above illustrates the bank's performance of consumer motor vehicle loans made to LMI borrowers. The bank's total percentage of lending to low-income borrowers (24.8 percent) is similar to the household population figure (27.0 percent), reflecting reasonable performance. The bank's level of lending to moderate-income individuals (21.4 percent) is slightly above the household population (17.0 percent), also reflecting reasonable performance. Based on this data, the distribution of the bank's consumer motor vehicle loans reflects reasonable performance to LMI individuals.

<u>Geographic Distribution of Loans</u>

As noted previously, the Central Missouri assessment area includes one low- and seven moderate-income census tracts, representing 23.5 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 HMDA, small farm, and consumer motor vehicle loan categories, with primary emphasis on the bank's HMDA lending. The following table displays the geographic distribution of 2021 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

Geographic Distribution of HMDA Loans Assessment Area: Central Missouri								
Product Type	Tract Income Levels	2021						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	15	7.9%	1.8%	987	4.1%	1.1%	1.2%
	Moderate	44	23.3%	21.7%	4,626	19.1%	19.6%	21.1%
	Middle	106	56.1%	62.6%	13,172	54.4%	62.8%	66.4%
	Upper	24	12.7%	13.8%	5,449	22.5%	16.4%	11.3%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.0%
	TOTAL	**189**	**100.0%**	**100.0%**	**24,234**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	2	1.4%	0.4%	237	1.5%	0.3%	1.2%
	Moderate	24	17.0%	18.3%	2,560	15.7%	15.6%	21.1%
	Middle	102	72.3%	67.1%	11,654	71.5%	67.5%	66.4%
	Upper	13	9.2%	14.0%	1,851	11.4%	16.4%	11.3%
	Unknown	0	0.0%	0.2%	0	0.0%	0.2%	0.0%
	TOTAL	**141**	**100.0%**	**100.0%**	**16,302**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	1	12.5%	0.0%	38	5.5%	0.0%	1.2%
	Moderate	1	12.5%	21.7%	150	21.8%	19.4%	21.1%
	Middle	6	75.0%	65.2%	500	72.7%	68.1%	66.4%
	Upper	0	0.0%	11.6%	0	0.0%	11.1%	11.3%
	Unknown	0	0.0%	1.4%	0	0.0%	1.4%	0.0%
	TOTAL	**8**	**100.0%**	**100.0%**	**688**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	2.9%	0	0.0%	2.5%	0.5%
	Moderate	4	30.8%	23.5%	1,070	34.2%	19.8%	41.8%
	Middle	7	53.8%	70.6%	1,418	45.3%	76.2%	51.7%
	Upper	2	15.4%	2.9%	641	20.5%	1.5%	6.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**13**	**100.0%**	**100.0%**	**3,129**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	18	5.1%	1.2%	1,262	2.8%	0.8%	1.2%
	Moderate	74	21.0%	20.1%	8,476	19.1%	17.9%	21.1%
	Middle	221	62.8%	64.7%	26,744	60.2%	65.2%	66.4%
	Upper	39	11.1%	13.7%	7,941	17.9%	15.9%	11.3%
	Unknown	0	0.0%	0.2%	0	0.0%	0.2%	0.0%
	TOTAL	**352**	**100.0%**	**100.0%**	**44,423**	**100.0%**	**100.0%**	**100.0%**

The analysis of HMDA loans revealed excellent lending performance to borrowers residing in low-income geographies. The bank's total penetration of low-income census tracts by number of loans (5.1 percent) is well above the percentage of owner-occupied housing units in low-income census tracts (1.2 percent) and the performance of other lenders in the assessment area

(1.2 percent).
Bank performance in moderate-income census tracts is similar to comparison data and is deemed reasonable. The bank's total penetration of moderate-income census tracts by number of loans (21.0 percent) nearly equals the percentage of owner-occupied housing units in moderate-income census tracts (21.1 percent) and is in line with aggregate lending data, which indicates that 20.1 percent of aggregate HMDA loans inside this assessment area were made to borrowers residing in moderate-income census tracts. Overall, the bank's geographic distribution of HMDA loans is reasonable when considering performance in both income categories.

Next, the bank's geographic distribution of small farm loans was reviewed. The following table displays small farm loan activity by geography income level compared to the location of farms throughout this assessment area and 2021 small farm aggregate data.

Geographic Distribution of Small Farm Loans
Assessment Area: Central Missouri

Tract Income Levels	2021						
	Count			Dollar			Farms
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Low	0	0.0%	0.9%	$0	0.0%	0.3%	0.0%
Moderate	29	27.4%	24.3%	$2,700	35.0%	27.6%	23.6%
Middle	72	67.9%	69.7%	$4,768	61.8%	69.0%	67.9%
Upper	5	4.7%	4.8%	$247	3.2%	3.1%	8.5%
Unknown	0	0.0%	0.3%	$0	0.0%	0.0%	0.0%
TOTAL	**106**	**100.0%**	**100.0%**	**$7,715**	**100.0%**	**100.0%**	**100.0%**

While the bank did not make any small farm loans in the sole low-income tract, the bank's performance in low-income areas is reasonable, considering the fact that such lending opportunities in this geography are very scarce based on comparable demographic and aggregate lending data. The bank's percentage of loans in moderate-income census tracts (27.4 percent) is slightly above the percentage of small farms in moderate-income census tracts (23.6 percent) and the 2021 aggregate lending percentage in moderate-income census tracts (24.3 percent), representing reasonable performance. Therefore, the bank's overall geographic distribution of small farms loans is reasonable.

Lastly, as with the HMDA and small farm loan categories, the bank's geographic distribution of consumer motor vehicle loans was reviewed. The following table displays the geographic distribution of consumer motor vehicle loans compared to household population demographics for the assessment area.

Geographic Distribution of Consumer Motor Vehicle Loans Assessment Area: Central Missouri					
Tract Income Levels	**Bank Loans**				**% of Households**
	#	**#%**	**$ (000s)**	**$ %**	
Low	11	7.6%	$133	7.6%	1.7%
Moderate	22	15.2%	$224	12.7%	23.6%
Middle	96	66.2%	$1,066	60.7%	63.8%
Upper	16	11.0%	$334	19.0%	10.9%
Unknown	0	0.0%	$0	0.0%	0.0%
TOTAL	**145**	**100.0%**	**$1,757**	**100.0%**	**100.0%**

The bank originated 7.6 percent of its consumer motor vehicle loans to borrowers residing in low-income census tracts, which is above the percentage of households in low-income census tracts (1.7 percent) and reflects excellent penetration. In addition, 15.2 percent of the consumer motor vehicle loans were made to borrowers residing in moderate-income census tracts, which is somewhat below the household population average (23.6 percent) but reflects reasonable performance. Overall, the geographic distribution of the bank's consumer motor vehicle loans is reasonable.

Finally, based on reviews from all three loan categories, the bank had loan activity in all of its assessment area census tracts. Thus, no conspicuous lending gaps were noted.

COMMUNITY DEVELOPMENT TEST

The bank's performance demonstrates adequate responsiveness to community development needs within the Central Missouri assessment area, considering the bank's capacity and the need and availability of such opportunities. The bank addressed these needs through qualified community development loans, investments, and services.

During the review period, the bank made 22 community development loans totaling $3.9 million in this assessment area. Included in these loans are six PPP loans that were made to businesses located in LMI and distressed middle-income geographies totaling $2.2 million. Additionally, many other loans were also made to revitalize/stabilize LMI and distressed middle-income census tracts. Finally, three loans were made to support affordable housing to LMI seniors.

The bank also made investments totaling $4.5 million that qualified for community development credit in this assessment area. This amount included $2.5 million from prior-period investments that remained in the bank's portfolio. The bank purchased an additional $1.9 million of new qualifying investments within the review period. The investments primarily consisted of bonds issued for funding school districts with a majority of students from LMI families and bonds to maintain or improve upon the infrastructure of various municipalities within the assessment area. Additionally, the bank made 265 donations totaling $93,040 to several organizations that serve LMI individuals, LMI geographies, and distressed middle-income geographies in this assessment area, including donations that provided relief from the COVID-19 pandemic.

Finally, bank personnel provided financial expertise through 52 service activities to 26 different community development organizations that benefit LMI individuals and families. Services included delivering financial education to schools that primarily serve LMI families and providing financial expertise to community service organizations as board members.

ST. LOUIS METROPOLITAN STATISTICAL AREA ASSESSMENT AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE ST. LOUIS MSA ASSESSMENT AREA

Bank Structure

The bank operates one of its ten offices in this assessment area, representing 10.0 percent of the bank's total branches. The branch has a deposit-taking ATM on site and is located in a moderate-income census tract. During the review period, the bank did not open or close any branches in this assessment area. Based on this branch network and other service delivery systems, the bank is not adequately positioned to deliver financial services to the entire assessment area. Specifically, the bank's branch is located in Pevely, Missouri, which is in the eastern portion of Jefferson County. Consequently, having only one branch location in the southern portion of this assessment area presents challenges to serving northern sections of the assessment area, including the urban areas of the St. Louis MSA, where the majority of LMI census tracts are located.

General Demographics

The bank's St. Louis MSA assessment area is located within the St. Louis, Missouri-Illinois metropolitan statistical area (St. Louis MSA). The St. Louis MSA includes seven counties in Missouri and eight counties in Illinois, and the bank's assessment area includes three Missouri counties (Jefferson County, St. Louis County, and St. Louis City). The following table lists the counties in the bank's assessment area along with their respective population figures.

County	Population
Jefferson County	221,577
St. Louis County	1,001,327
St. Louis City	317,850
TOTAL ASSESSMENT AREA POPULATION	**1,540,754**

This assessment area is a highly competitive banking market, with 60 FDIC-insured depository institutions with a branch presence within the assessment area. The bank is ranked 47th among the 60 financial institutions, encompassing only <0.1 percent ($43,545 million) of the assessment area's deposit market share.

This assessment area covers a wide metropolitan area, and the population and demographics are diverse. As a result, credit needs in the assessment area vary and include a combination of consumer and business credit products, including a mix of consumer and business loan products. Other particular credit needs in the assessment area, as noted primarily from community contacts, include loan and deposit products for people with lower incomes, as well as affordable housing.

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	56	82	106	100	3	**347**
	16.1%	23.6%	30.6%	28.8%	0.9%	**100%**
Family Population	36,237	85,390	130,731	132,481	1,439	**386,278**
	9.4%	22.1%	33.8%	34.3%	0.4%	**100%**

As shown above, 39.7 percent of the census tracts in the assessment area are LMI geographies, and 31.5 percent of the family population resides in these tracts. While low-income geographies are concentrated primarily in the northeast and east-central portions of the assessment area, including a significant portion of the city of St. Louis, there are moderate-income census tracts in southern parts of the assessment area as well.

Based on 2020 U. S. Census data, the median family income for the assessment area was $82,136. At the same time, the median family income for the St. Louis MSA was $84,758. More recently, the FFIEC estimates in 2021, the median family income for the St. Louis MSA to be $84,700. The following table displays population percentages of assessment area families by income level compared to the St. Louis MSA.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	89,205	66,710	73,439	156,924	**386,278**
	23.1%	17.3%	19.0%	40.6%	**100%**
St. Louis MSA	155,627	125,318	144,204	294,177	**719,326**
	21.6%	17.4%	20.1%	40.9%	**17.4%**

As shown in the table above, 40.4 percent of families within the assessment area were considered LMI, which is slightly higher than the LMI family percentage of 39.0 percent in the St. Louis MSA. The percentage of families living below the poverty line in the assessment area, 10.3 percent, is slightly higher than the 9.6 percent level in the St. Louis MSA. Considering these factors, the assessment area appears slightly less affluent than the MSA as a whole.

Housing Demographics

As displayed in the following table, homeownership in the assessment area is less affordable as compared to all of nonMSA Missouri.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$160,353	33.2%	$824
Jefferson County, Missouri	$149,900	36.9%	$783
St. Louis County, Missouri	$173,400	34.5%	$882
St. Louis City, Missouri	$120,400	29.6%	$748
St. Louis MSA	$157,100	35.1%	$815

Median gross rents varied by county in the assessment area from a low of $748 in St. Louis City to a high of $882 in St. Louis County. The overall median gross rent for the entire assessment area was $824, which is above the median gross rent for all of the St. Louis MSA. Affordability ratios in the assessment area also varied, ranging from a high of 36.9 percent in Jefferson County to a low of 29.6 percent in St Louis City, with an overall affordability ratio of 33.2 percent for the assessment area. This is compared to an affordability ratio of 35.1 percent in the St. Louis MSA.

Industry and Employment Demographics

The assessment area supports a diverse business community, including manufacturing and service-oriented businesses. County business patterns indicate that there are 862,762 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (17.7 percent), government (9.9 percent), and retail trade (8.4 percent).

Unemployment Levels				
Dataset	**Time Period (Annual Average)**			
	2019	**2020**	**2021**	**2022 (as of August)**
Jefferson County	2.9%	6.0%	4.1%	2.9%
St. Louis County	2.9%	6.3%	4.5%	3.1%
St. Louis City	3.7%	8.7%	6.4%	4.3%
Assessment Area Average	**3.0%**	**6.7%**	**4.8%**	**3.3%**
St. Louis MSA	3.1%	6.7%	4.6%	3.4%

As shown in the table above, unemployment levels varied between individual counties within the assessment area. Unemployment rates were highest in St. Louis City. Overall, unemployment rates for both the assessment area and the St. Louis MSA experienced increases in 2020 due to the economic disruption resulting from the COVID-19 pandemic; however, it appears both have begun to recover to pre-pandemic levels of unemployment.

Community Contact Information

Information from two community contacts was used to help shape the performance context in which the bank's activities in the St. Louis MSA assessment area were evaluated. The interviews were conducted with representatives from an organization that promotes economic development and an agency that specializes in community services to the LMI population, including affordable housing. The interviewees indicated that the LMI population continues to be underserved by financial institutions. As a result, opportunities exist to provide affordable deposit and loan products, including affordable mortgage loans, to LMI individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE ST. LOUIS MSA ASSESSMENT AREA

LENDING TEST

As previously noted, the bank did not have a large enough volume of small farm or consumer motor vehicle lending in this assessment area to form meaningful conclusions. Therefore, borrower and geographic performance conclusions in this assessment area were based solely on the HMDA loan product. The bank's overall distribution of loans by borrower's income/revenue profile reflects reasonable penetration among borrowers of different income levels. Furthermore, the overall geographic distribution of loans reflects reasonable penetration throughout the St. Louis MSA assessment area.

Loan Distribution by Borrower's Profile

HMDA loans were reviewed to determine the bank's lending performance 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). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and the 2021 HMDA aggregate performance for the assessment area.

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	8.3%	10.9%	185	5.4%	5.6%	23.1%
	Moderate	4	16.7%	19.9%	692	20.4%	13.8%	17.3%
	Middle	2	8.3%	17.0%	251	7.4%	15.5%	19.0%
	Upper	6	25.0%	29.2%	1,111	32.7%	43.5%	40.6%
	Unknown	10	41.7%	23.0%	1,156	34.1%	21.7%	0.0%
	TOTAL	**24**	**100.0%**	**100.0%**	**3,395**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	1	5.0%	6.8%	39	1.2%	3.3%	23.1%
	Moderate	3	15.0%	15.4%	310	9.6%	9.8%	17.3%
	Middle	5	25.0%	19.1%	907	28.2%	15.4%	19.0%
	Upper	6	30.0%	36.4%	1,272	39.5%	49.7%	40.6%
	Unknown	5	25.0%	22.3%	690	21.4%	21.9%	0.0%
	TOTAL	**20**	**100.0%**	**100.0%**	**3,218**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	7.2%	0	0.0%	3.8%	23.1%
	Moderate	0	0.0%	15.0%	0	0.0%	10.2%	17.3%
	Middle	0	0.0%	21.0%	0	0.0%	16.8%	19.0%
	Upper	0	0.0%	51.5%	0	0.0%	59.8%	40.6%
	Unknown	0	0.0%	5.4%	0	0.0%	9.4%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.3%	0	0.0%	0.0%	23.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	17.3%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.0%
	Upper	0	0.0%	2.5%	0	0.0%	0.5%	40.6%
	Unknown	1	100.0%	97.2%	108	100.0%	99.5%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**108**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	3	6.4%	8.3%	224	3.3%	4.0%	23.1%
	Moderate	7	14.9%	16.8%	1,002	14.7%	10.8%	17.3%
	Middle	9	19.1%	18.1%	1,263	18.5%	14.6%	19.0%
	Upper	12	25.5%	34.1%	2,383	34.9%	44.9%	40.6%
	Unknown	16	34.0%	22.6%	1,954	28.6%	25.8%	0.0%
	TOTAL	**47**	**100.0%**	**100.0%**	**6,826**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's lending to low-income borrowers (6.4 percent) is significantly below the low-income family population figure (23.1 percent) but similar to the 2021 aggregate lending level to low-income borrowers (8.3 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (14.9 percent) is approaching the moderate-income family population figure (17.3 percent) and the 2021 aggregate lending level to moderate-income borrowers (16.8 percent) and is also reasonable. Therefore, considering performance in both categories is similar to aggregate lending levels, the bank's overall distribution of HMDA loans by borrower's profile is reasonable.

<u>Geographic Distribution of Loans</u>

As noted previously, the St. Louis MSA assessment area includes 56 low- and 82 moderate-income census tracts, representing 39.7 percent of all assessment area census tracts. The following table displays the geographic distribution of 2021 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate.

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	1	4.2%	3.6%	129	3.8%	1.8%	6.0%
	Moderate	6	25.0%	19.7%	563	16.6%	12.1%	20.4%
	Middle	14	58.3%	39.1%	2,058	60.6%	32.6%	36.4%
	Upper	3	12.5%	37.4%	645	19.0%	53.2%	37.0%
	Unknown	0	0.0%	0.3%	0	0.0%	0.3%	0.2%
	TOTAL	**24**	**100.0%**	**100.0%**	**3,395**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	1.3%	0	0.0%	0.7%	6.0%
	Moderate	6	30.0%	12.6%	569	17.7%	7.7%	20.4%
	Middle	10	50.0%	37.6%	1,787	55.5%	28.4%	36.4%
	Upper	4	20.0%	48.4%	862	26.8%	63.1%	37.0%
	Unknown	0	0.0%	0.2%	0	0.0%	0.2%	0.2%
	TOTAL	**20**	**100.0%**	**100.0%**	**3,218**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	2.3%	0	0.0%	1.8%	6.0%
	Moderate	0	0.0%	12.8%	0	0.0%	8.0%	20.4%
	Middle	0	0.0%	32.8%	0	0.0%	26.1%	36.4%
	Upper	0	0.0%	52.1%	0	0.0%	64.1%	37.0%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Multifamily	Low	1	100.0%	15.9%	108	100.0%	5.1%	13.8%
	Moderate	0	0.0%	31.7%	0	0.0%	21.9%	21.0%
	Middle	0	0.0%	34.0%	0	0.0%	25.5%	32.8%
	Upper	0	0.0%	16.9%	0	0.0%	45.5%	31.3%
	Unknown	0	0.0%	1.5%	0	0.0%	1.9%	1.2%
	TOTAL	**1**	**100.0%**	**100.0%**	**108**	**100.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	2	4.4%	2.3%	237	3.5%	1.3%	6.0%
	Moderate	12	26.7%	15.4%	1,132	16.8%	10.1%	20.4%
	Middle	24	53.3%	37.9%	3,845	57.2%	29.8%	36.4%
	Upper	7	15.6%	44.2%	1,507	22.4%	58.4%	37.0%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
	TOTAL	**45**	**100.0%**	**100.0%**	**6,721**	**100.0%**	**100.0%**	**100.0%**

The analysis of HMDA loans reveals reasonable lending performance to borrowers residing in low-income geographies. The bank's total penetration of low-income census tracts by number of loans (4.4 percent) is slightly below the percentage of owner-occupied housing units in low-income census tracts (6.0 percent). In addition, the bank's performance in low-income census tracts is slightly above that of other lenders in the assessment area based on 2021 HMDA aggregate data, which indicate 2.3 percent of aggregate HMDA loans inside this assessment area were made to borrowers residing in low-income geographies.

The bank's total penetration of moderate-income census tracts by number of loans (26.7 percent) is above the percentage of owner-occupied housing units in moderate-income census tracts (20.4 percent) and significantly above that of other lenders based on aggregate lending data (15.4 percent), reflecting excellent performance in moderate-income geographies. Overall, considering performance in both LMI categories, the bank's geographic distribution of HMDA loans is reasonable.

Lastly, the bank had loan activity in 10.1 percent of all assessment area census tracts and 8.0 percent of all LMI tracts. As previously noted, the bank only has one branch in this large assessment area. Therefore, it is not surprising to observe an overall low dispersion level of geographies with loan activity, and this dispersion analysis did not reveal any conspicuous lending gaps in LMI areas.

COMMUNITY DEVELOPMENT TEST

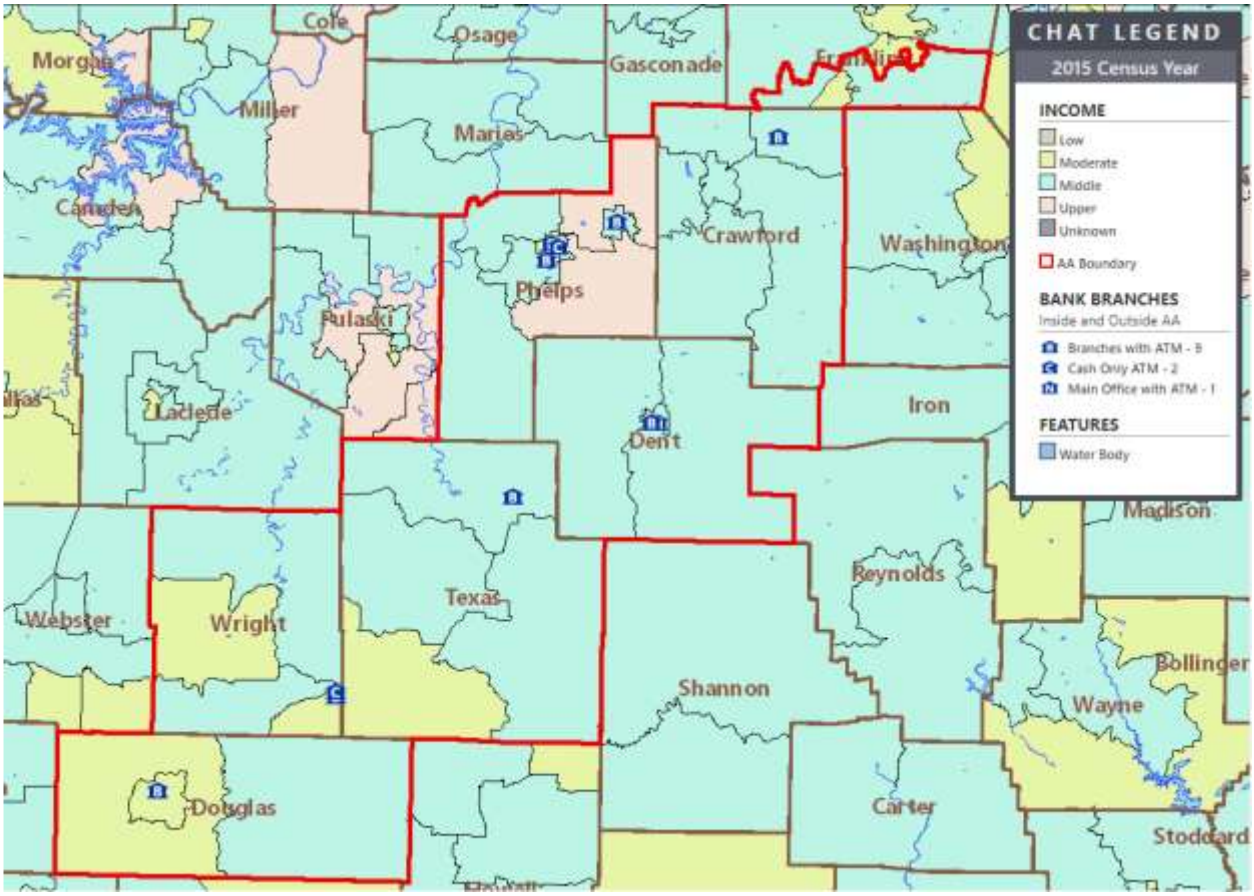
The bank's performance demonstrates adequate responsiveness to community development needs within the St. Louis MSA assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans and qualified investments. The bank did not record any community development services in this assessment area.

During the review period, the bank made four community development loans totaling $1.8 million in this assessment area. One notable loan was for $1 million to provide housing to LMI seniors.

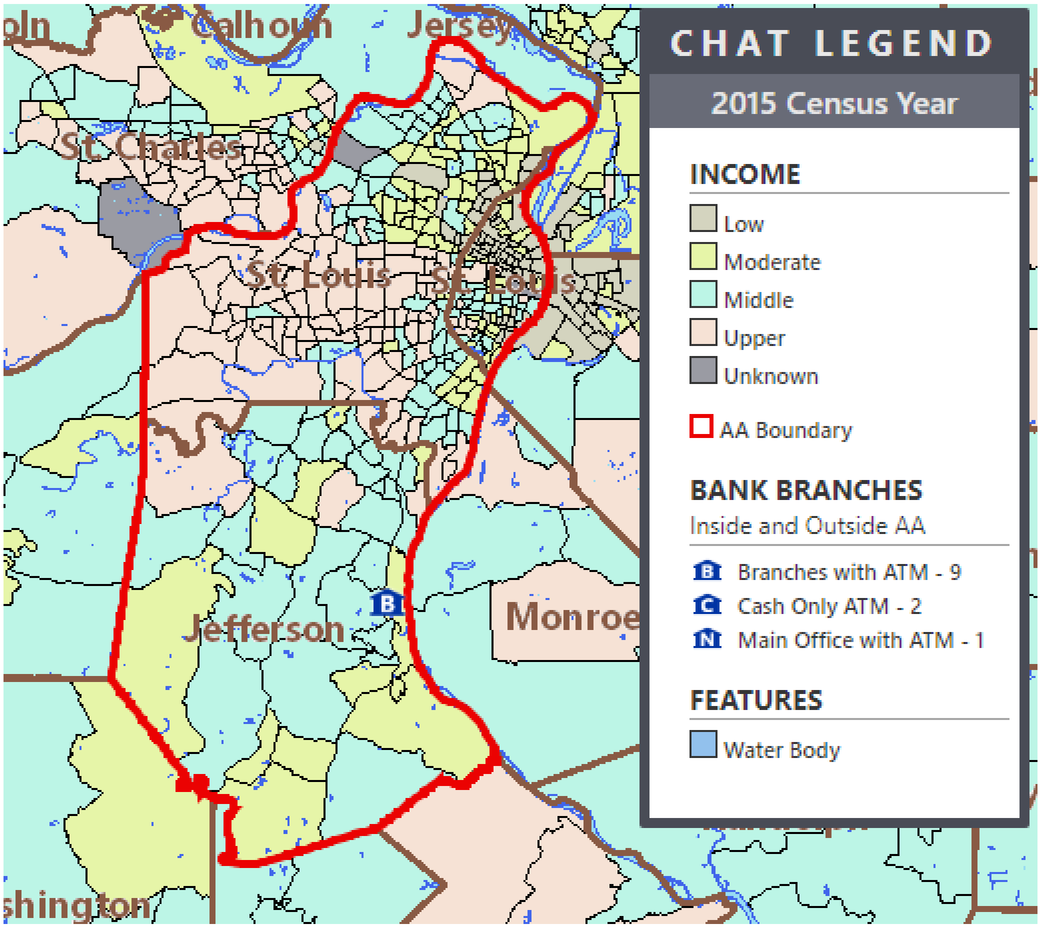
The bank retained $336,398 in prior-period investments that remained in the bank's portfolio. Additionally, the bank made eight donations totaling $1,275 to schools and community development organizations that serve LMI families and LMI individuals.

ASSESSMENT AREA MAPS

nonMSA Missouri Assessment Area



St. Louis MSA Assessment Area



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 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.