PUBLIC DISCLOSURE

February 22, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Midwest BankCentre
RSSD #657459

2191 Lemay Ferry Road
St. Louis, Missouri 63125-2408

Federal Reserve Bank of St. Louis

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

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of the institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

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

The following table shows the performance level of Midwest BankCentre with respect to the Lending, Investment, and Service Tests.

Midwest BankCentre			
Performance Levels	**Performance Tests**		
	Lending Test*	**Investment Test**	**Service Test**
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors supporting the institution's rating include the following:

- The bank's lending levels reflect excellent responsiveness to the credit needs of its assessment area.
- An adequate percentage of loans are made in the bank's assessment area.
- The geographic distribution of loans reflects excellent penetration throughout the assessment area.
- The distribution of borrower's income/revenue profile reflects adequate penetration among customers of different income levels and businesses of different sizes.
- The bank is a leader in making community development loans.
- The bank makes extensive use of innovative and/or flexible lending products in meeting the credit needs of its assessment area.
- The bank makes an adequate level of qualified community development investments and grants and is rarely in a leadership position.
- Service delivery systems are readily accessible to the bank's assessment area, and the bank's record of opening and closing branches has generally not adversely affected the accessibility of its service delivery systems.
- The bank is a leader in providing community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Midwest BankCentre is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Midwest BankCentre, Inc., a one-bank holding company. Both the bank and its holding company are headquartered in St. Louis, Missouri.

The bank operates 17 retail offices, 17 full-service automated teller machines (ATMs), and one loan production office (LPO). All of the bank's offices are located in the Missouri portion of the St. Louis, Missouri-Illinois Metropolitan Statistical Area (St. Louis MSA), with the exception of the LPO, which is located in the Illinois portion of the St. Louis MSA. Since the previous examination, the bank closed two full-service branches, relocated one branch, and opened an LPO. The bank also offers customers access to over 37,000 surcharge-free ATMs nationwide. Based on this branch network and other service delivery systems, the bank is well positioned to deliver financial services to 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 assessment area, and the bank is capable of meeting assessment area credit needs based on its available resources and financial products. As of December 31, 2021, the bank reported total assets of $2.4 billion, which represents an increase in assets of 22.0 percent since the previous evaluation. As of the same date, loans and leases outstanding were $1.8 billion, while deposits totaled $1.9 billion.

Distribution of Total Loans as of December 31, 2021

Credit Category	Amounts ($000s)	Percentage of Total Loans
Construction and development	$165,959	9.1%
Commercial real estate	$645,898	35.2%
Multifamily residential	$117,319	6.4%
1–4 family residential	$336,151	18.3%
Commercial and industrial	$504,756	27.5%
Loans to individuals	$61,061	3.3%
Total other loans	$2,607	0.1%
TOTAL	**$1,833,751**	**100%**

As indicated in the table above, a significant portion of the bank's lending resources are directed to commercial real estate loans, commercial and industrial loans, and 1–4 family residential real estate secured loans. The bank also originates and subsequently sells a significant volume of loans related to residential real estate. As these loans are sold on the secondary market shortly after origination, this activity is not captured in the table.

The bank received an Outstanding rating at its previous CRA evaluation conducted by this Reserve Bank on February 11, 2019.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) Large Institution CRA Examination Procedures, which include Lending, Investment, and Service Tests. Bank performance under these tests is rated at the institution level.

Lending Test

Under the Lending Test, the bank's performance is evaluated using the following criteria and time periods:

<table>
<tr><th>Lending Test Performance Criterion</th><th>Products Selected for Review</th><th>Time Period</th></tr>
<tr><td>Level of Lending Activity</td><td rowspan="4">• Home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA)
• Small business loans reported under the CRA</td><td rowspan="4">January 1, 2019 – December 31, 2020</td></tr>
<tr><td>Assessment Area Concentration</td></tr>
<tr><td>Geographic Distribution</td></tr>
<tr><td>Loan Distribution by Borrower's Profile</td></tr>
<tr><td>Community Development Lending Activities</td><td rowspan="2"></td><td rowspan="2">February 11, 2019 – February 21, 2022</td></tr>
<tr><td>Product Innovation[1]</td></tr>
</table>

As shown in the preceding table, HMDA and small business loans were used to evaluate the bank's lending performance, as these loans are considered the bank's core business lines based on lending volume and the bank's business strategy. Due to similar volumes and the bank's strategic focus on both HMDA and small business loans, these two products were given equal weight.

Under the Lending Test criteria previously noted, analyses often involve comparisons of bank performance to assessment area demographics and the performance of other lenders based on HMDA and CRA aggregate data. Unless otherwise noted, the following are the information sources referenced throughout the evaluation.

- Assessment area demographics are based on 2015 American Community Survey (ACS) data, and business demographics are based on 2019 and 2020 Dun & Bradstreet data.

- Median family incomes are based on the FFIEC's 2019 and 2020 annual estimates. The estimates were used to classify borrowers into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure for that area.

[1] Unlike other large bank CRA performance criteria, a lack of innovative and/or flexible lending practices does not necessarily impact the bank's performance negatively. These activities are largely used to augment consideration given to an institution's performance under the qualitative criteria, resulting in a higher performance rating. This distinction also applies to the use of innovative or complex investments under the Investment Test.

- Industry demographics are sourced from the 2020 U.S. Census Bureau Business Patterns data, according to the North American Industry Classification System.

- Unemployment data are sourced from the U.S. Department of Labor, Bureau of Labor Statistics, and are not seasonally adjusted.

- In the evaluation of the bank's distribution of loans to borrowers of different income levels and businesses and farms of different revenue sizes, the demographic figure refers to the percentage of families in that assessment area that are classified as either low- or moderate-income (LMI) or the percentage of businesses and farms with annual revenues of $1 million or less.

- In the evaluation of the bank's geographic distribution of loans, the demographic figure refers to the percentage of owner-occupied housing units in that assessment area that are in either LMI census tracts or the percentage of businesses located in LMI census tracts.

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.

Investment Test

All community development investments made since the previous CRA evaluation, including grants and donations, were reviewed and evaluated. In addition, investments made prior to the date of the previous CRA evaluation but still outstanding as of this review date were also considered. Qualified investments and grants were evaluated to determine the bank's overall level of activity, use of innovative and/or complex investments, and responsiveness to assessment area credit and community development needs.

Service Test

The review period for retail and community development services includes activity from the date of the previous CRA evaluation to the date of the current evaluation. The Service Test considers the following criteria:

- Distribution and accessibility of bank branches and alternative delivery systems.
- Changes in branch locations.
- Reasonableness of business hours and services.
- Community development services.

Community Contacts

To augment this evaluation, two community contact interviews with members of the local community were relied upon 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 ASSESSMENT AREA

Midwest BankCentre has designated one CRA assessment area consisting of all geographies in St. Louis City, St. Louis County, Jefferson County, and St. Charles County, which are all in the Missouri portion of the St. Louis MSA. The assessment area consists of 426 census tracts, of which 57 are low-, 89 are moderate-, 134 are middle-, 142 are upper-, and 4 are unknown-income census tracts.

General Demographics

According to 2015 ACS data, the assessment area population was 1,915,559. The majority of the population lives in St. Louis County with 1,001,327 residents, followed by St. Charles County with a population of 374,805, St. Louis City with 317,850, and Jefferson County with 221,577. The bank's assessment area is highly competitive, with a total of 70 Federal Deposit Insurance Corporation (FDIC)-insured financial institutions that operate 533 locations. According to the FDIC's Deposit Market Share Report, as of June 30, 2021, Midwest BankCentre ranked 12th, with a 1.8 percent deposit market share in the assessment area.

This assessment area covers a metropolitan area with diverse credit needs, including a blend of credit products for individuals and businesses of various income/revenue levels. Specific credit needs, as noted primarily from community contacts, include home improvement lending for seniors and down payment assistance for residential real estate lending. Furthermore, since the St. Louis MSA is an area with significant community development needs, combined with numerous nonprofit agencies, higher education institutions, and government assistance entities, there is a high level of community development opportunity available for financial institution participation.

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	57	89	134	142	4	**426**
	13.4%	20.9%	31.5%	33.3%	0.9%	**100%**
Family Population	37,150	90,837	165,597	191,984	1,439	**487,007**
	7.6%	18.7%	34.0%	39.4%	0.3%	**100%**

As shown above, 34.3 percent of the census tracts in the assessment area are LMI geographies, but only 26.3 percent of the family population resides in these tracts. The majority of LMI tracts are located in St. Louis City and northeast St. Louis County. Additionally, 23.8 percent of all businesses operating in this assessment area are located in LMI geographies, and 22.1 percent of all owner-occupied housing units in the assessment area are located in LMI geographies.

Based on 2015 ACS data, the median family income for the assessment area was $72,950. At the same time, the median family income for the state of Missouri was $60,809. More recently, the FFIEC estimates the 2019 and 2020 median family income for the St. Louis MSA to be $81,200 and $82,600, respectively. The estimated median family income for the state of Missouri is $52,400 and $54,400 over the same time period. The following table displays population percentages of assessment area families by income level compared to the Missouri family population.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	101,648	81,572	95,255	208,532	**487,007**
	20.9%	16.8%	19.6%	42.8%	**100%**
State of Missouri	327,271	274,380	319,267	609,088	**1,530,006**
	21.4%	17.9%	20.9%	39.8%	**100%**

While the first table in this section indicates only 26.3 percent of the family population reside in LMI geographies, the table above shows a much larger percentage of families, 37.7 percent, are considered LMI. This LMI family percentage is slightly lower than LMI family percentages of 39.3 percent statewide. Similarly, the percentage of families living below the poverty level in the assessment area, 9.1 percent, is below the 11.1 percent level in the state of Missouri. Considering these factors, overall, the assessment area appears slightly more affluent than the state of Missouri. However, the assessment area consists of diverse geographies with different demographic makeups, which results in a wide range of affluence from county to county. For example, St. Louis City has an overall LMI family percentage of 58.2 percent, and 21.7 percent of St. Louis City families live below the poverty level. Conversely, in St. Charles County, only 27.1 percent of families are considered LMI, with 4.6 percent of families living below the poverty level.

Housing Demographics

As displayed in the following table, homeownership in the assessment area is slightly less affordable when compared to the state of Missouri.

Housing Demographics			
Dataset	**Median Housing Value**	**Affordability Ratio**	**Median Gross Rent (Monthly)**
Assessment Area	$167,575	33.7%	$837
State of Missouri	$138,400	34.8%	$746

The median housing value for the assessment area is $167,575, which is above the figure for the state of Missouri, $138,400. The assessment area housing affordability ratio of 33.7 percent is slightly below the statewide figure of 34.8 percent. Affordability ratios in the assessment area vary, ranging from a high of 38.5 percent in St. Charles County to a low of 29.8 percent in St. Louis City. The median gross rent for the assessment area of $837 per month is also higher than the $746 per month for the state and varied significantly by county, from a low of $748 in St. Louis City to a high of $931 in St. Charles County. Further, the 2013–2017 Housing and Urban Development (HUD) housing cost burden data suggests that LMI households within the assessment area face more difficult affordability challenges than that of the state of Missouri. The following table shows the percentage of households that spend 30 percent or more of their income on housing.

Housing Cost Burden				
Dataset	Cost Burden – Renters		Cost Burden – Owners	
	Low-Income	Moderate-Income	Low-Income	Moderate-Income
Assessment Area	77.3%	31.7%	65.4%	34.4%
State of Missouri	74.0%	31.5%	59.9%	30.3%

Furthermore, one community contact noted a need for affordable housing stock and described low incomes and a lack of financial stability as affordability challenges for LMI residents.

Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. County business patterns indicate that there are 988,497 paid employees in the assessment area. By percentage of employees, the three largest job categories in the assessment area are healthcare and social assistance (17.4 percent), followed by government industries (10.6 percent), and retail trade (9.7 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the state of Missouri.

Unemployment Levels for the Assessment Area		
Time Period (Annual Average)	Assessment Area	State of Missouri
2019	3.1%	3.3%
2020	6.4%	6.1%
2021	4.5%	4.4%

As shown in the table above, unemployment levels for the assessment area, as well as the state of Missouri, fluctuated significantly during the review period but were comparable. The assessment area and the state of Missouri saw their unemployment rates increase significantly in 2020, which was likely a result of the COVID-19-related disruption of state and local economies. More recently, unemployment rates have decreased significantly in 2021 but are still elevated from pre-pandemic levels. Further, unemployment rates in the assessment area vary, ranging from a low of 4.1 percent in Jefferson County to a high of 6.4 percent in St. Louis City.

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. Of these community contact interviews, one was with an individual specializing in affordable housing, and one was with a person providing financial education and assistance, as well as entrepreneurship and small business development. One community contact noted the assessment area has seen economic growth in the past several years due to factors like growing biotech and information technology industries, as well as large corporate mergers and acquisitions. However, both contacts mentioned that many of the large anchor businesses do not employ a high rate of local LMI residents, and one contact attributed this to a lack of skills and workforce training. One contact stated that Midwest BankCentre is highly engaged in the community.

The contact working in an affordable housing role indicated that in the northern portion of St. Louis City and St. Louis County, vacancy and abandonment rates are high, and many homes are not salvageable and now need to be demolished. There is also a significant need for affordable housing considering both renters and potential homeowners. A lack of local funding and low personal incomes are the largest barriers low- and moderate-income renters face when attempting to transition to homeownership. Even if individuals and families wanted to transition to homeownership, they would still need a large subsidy to make homeownership affordable. Other financial needs associated with access to affordable housing include LMI seniors needing home repair assistance, assisted living facilities for seniors, and down payment and/or subsidy assistance for homeownership. The contact did indicate that access to banking and financial products and services in the area has improved and attributed this to several banks opening branches throughout the area.

The contact working in a small business assistance role stated that although the area has experienced growth in the economy, LMI communities, specifically in north St. Louis City and northern portions of St. Louis County, are not benefiting as much as other communities. These neighborhoods continue to have challenges with crime, persistent poverty, and a lack of job opportunities. Further, the city of St. Louis has lost a significant amount of population as more people are moving to St. Louis County primarily because there is better quality affordable housing. The contact stated that small business development in LMI communities is stagnant primarily due to lack of access to capital. The contact described the St. Louis MSA as having a robust and thriving banking industry; however, the contact mentioned a lack of commitment of banks toward urban communities. The contact expressed a need for more coordinated efforts among small business development organizations serving LMI communities, as well as a more proactive approach in designing products and services to meet the needs of poor urban communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Midwest BankCentre's performance under the Lending Test is rated outstanding. Lending levels reflect excellent responsiveness to the credit needs of the assessment area, and an adequate percentage of the bank's lending activity is inside the assessment area. The geographic distribution of loans reflects excellent penetration throughout the assessment area, while the distribution of loans by borrowers' income and revenue profiles reflects adequate dispersion among customers of different income levels and businesses of different sizes. Additionally, the bank is a leader in making community development loans, and the bank makes extensive use of innovative and/or flexible lending practices in serving the credit needs of its assessment area.

Lending Activity

The following table displays the bank's 2019 and 2020 lending volumes in the assessment area by number and dollar volume.

Summary of Lending Activity January 1, 2019 through December 31, 2020				
Loan Type	**#**	**%**	**$(000s)**	**%**
Home improvement	66	1.5%	$8,440	1.0%
Home purchase	479	11.2%	$117,277	13.3%
Multifamily housing	57	1.3%	$51,571	5.8%
Refinancing	935	21.8%	$244,256	27.6%
TOTAL HMDA	**1,558**	**36.4%**	**$423,817**	**47.9%**
Small business	**2,727**	**63.6%**	**$460,524**	**52.1%**
TOTAL LOANS	**4,285**	**100%**	**$884,341**	**100%**

The bank ranked 41st in total number of HMDA loan originations and purchases out of 538 lenders in 2019 and 37th out of 583 lenders in 2020. For total number of CRA loan originations and purchases, the bank ranked 18th out of 149 lenders in 2019 and 8th out of 205 lenders in 2020. Additionally, the bank experienced an increase in both HMDA and CRA lending since its previous examination. As a result, the bank's lending levels reflect excellent responsiveness to the credit needs of the assessment area.

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, 2019 through December 31, 2020						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
HMDA	1,558	76.4%	482	23.6%	**2,040**	**100%**
	$423,817	73.0%	$156,793	27.0%	**$580,610**	**100%**
Small business	2,727	81.9%	602	18.1%	**3,329**	**100%**
	$460,524	77.1%	$136,598	22.9%	**$597,122**	**100%**
TOTAL LOANS	**4,285**	**79.8%**	**1,084**	**20.2%**	**$5,369**	**100%**
	$884,341	**75.1%**	**$293,391**	**24.9%**	**$1,177,732**	**100%**

An adequate percentage of loans were made inside the bank's assessment area. As shown above, 79.8 percent of the total HMDA and small business loans were made inside the assessment area, representing 75.1 percent of loans by dollar volume.

Geographic Distribution of Loans

As previously mentioned, the assessment area includes 57 low- and 89 moderate-income census tracts, representing 34.3 percent of all assessment area census tracts. The analysis in this section illustrates the distribution of the bank's loan activity across these geographies. Overall, the bank's geographic distribution of loans reflects excellent penetration throughout the assessment area. A brief summary of the bank's performance is described below; however, detailed tables of the bank's performance for each product in 2019 and 2020 are included in *Appendix C*.

HMDA Lending

The percentage of HMDA loans originated in low-income census tracts in 2019 was 6.3 percent. This was significantly above the aggregate lending level of 1.8 percent and also above the percentage of owner-occupied housing in low-income census tracts (4.8 percent in 2019), reflecting excellent performance. In 2020, the percentage of HMDA loans in low-income geographies declined to 2.8 percent, which was slightly above the aggregate lending levels (1.4 percent), but below the demographic figure (4.8 percent), and is considered adequate performance.

In 2019, the bank originated 20.6 percent of HMDA loans in moderate-income geographies in the assessment area, which was significantly above the aggregate performance (12.2 percent) and also above the demographic levels (17.3 percent), reflecting excellent performance. In 2020, the percentage of HMDA loans in moderate-income geographies declined to 9.0 percent, which was slightly below aggregate lending levels (10.1 percent) and significantly below the demographic figure (17.3 percent), reflecting adequate performance.

When considering low- and moderate-income geographies combined, the bank's distribution of HMDA loans in LMI geographies is good overall.

Small Business Lending

The percentage of small business loans originated in low-income census tracts in 2019 (9.1 percent) and 2020 (7.9 percent) was above the aggregate lending levels (5.1 percent in 2019 and 5.2 percent in 2020) and above the demographic figure for low-income geographies (5.9 percent in 2019 and 6.1 percent in 2020); this reflects excellent performance in low-income geographies for both years.

The percentage of small business loans originated in moderate-income census tracts in 2019 (27.0 percent) and 2020 (23.2 percent) was significantly above both the aggregate lending levels (17.3 percent in 2019 and 16.7 percent in 2020) and the demographic figure for moderate-income geographies (17.5 percent in 2019 and 17.7 percent in 2020); this reflects excellent performance in moderate-income geographies for both years.

When considering low- and moderate-income geographies combined, the bank's distribution of small business loans in LMI geographies is excellent overall.

Lastly, while the bank did not originate loans in all census tracts within the assessment area, the bank penetrated 89.9 percent of all tracts and 80.8 percent of LMI census tracts in the assessment area during the review period. As a result, no conspicuous lending gaps were identified.

<u>Loan Distribution by Borrower's Profile</u>

Overall, the bank's loan distribution by borrower's profile is adequate. As previously mentioned, 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. A brief summary of the bank's performance is described below; however, detailed tables of the bank's performance for each product in 2019 and 2020 are included in *Appendix C*.

HMDA Lending

The distribution of HMDA loans to low-income borrowers is considered good in 2019 (10.9 percent) and adequate in 2020 (6.5 percent). The bank's performance is notably above the performance of peer institutions in the assessment area in 2019 (7.9 percent) but comparable in 2020 (6.1 percent). The bank's performance is also well below the demographic figure in both years, which was 20.9 percent.

The bank originated 12.2 percent of its HMDA loans to moderate-income borrowers in 2019, which is below the aggregate lending levels (17.6 percent) and below the percentage of families who are moderate income (16.7 percent) and reflects poor performance. The bank's level of lending to moderate-income borrowers improved in 2020 (13.8 percent) and is, therefore, slightly more comparable to the aggregate (16.3 percent) and demographic levels (16.7 percent). Further, more weight was given to the bank's performance regarding HMDA refinance loans in 2020, as the bank had a significant volume of refinance loans (70.5 percent of HMDA loans). The bank originated 13.5 percent of refinance loans to moderate-income borrowers, which is comparable to the aggregate lending level of 13.8 percent. Therefore, the bank's performance is considered adequate.

When considering low- and moderate-income borrowers combined, the distribution of HMDA loans by borrower's income level is adequate overall.

Small Business

In 2019, the bank originated 48.4 percent of its small business loans to businesses with annual revenues of $1 million or less, which is comparable to aggregate lending levels (47.3 percent) but was significantly below the demographic figure (89.4 percent), reflecting adequate performance.

In 2020, the bank originated 20.0 percent of its small business loans to businesses with annual revenues of $1 million or less, which is well below the aggregate lending levels (39.7 percent) and the demographic figure (89.7 percent). Per the Small Business Administration's (SBA's) Paycheck Protection Program (PPP) guidelines, the bank was not required to collect revenue info for PPP loans, and consequently, the bank had a significant number of small business loans (64.5 of total loans in 2020) that reported revenue as unknown. Initially, this portrays a significant decline in the bank's lending performance. However, when considering the significant percentage of loans without revenues reported and distribution by loan size, the bank's performance is considered adequate in 2020. Therefore, the overall distribution of small business loans by business revenue profile is adequate.

Community Development Lending Activity

Midwest BankCentre is a leader in making community development loans that benefit its assessment area. During the review period, the bank originated or renewed 66 loans totaling $103.4 million. This amount is above the performance of peer banks operating in the assessment area and is also an increase in number and amount since the bank's previous CRA examination, when the bank was also considered a leader. These loans supported affordable housing (46), the revitalization and stabilization of LMI geographies (17), economic development (11), and community services to LMI individuals (6). Economic development was the largest community development lending activity by dollar amount, with $28.9 million, followed by revitalization/stabilization and affordable housing ($27.4 million each) and community services ($23.2 million). Of these loans, five PPP loans totaling $15.3 million qualified as community development and helped sustain businesses and nonprofits during the pandemic and are considered particularly responsive to assessment area credit needs.

In addition to meeting the community development lending needs of its own assessment area, the bank made 14 loans totaling $74.1 million outside its assessment area. Two of these loans, totaling $27.7 million, were for the purpose of participating in low-income housing tax credits that benefited LMI individuals. Another loan was to construct a multifamily/retail space building in a HUD-designated opportunity zone that will help to revitalize/stabilize the local area, and one was a PPP loan totaling $1.0 million.

Product Innovation

The bank makes extensive use of innovative and/or flexible lending practices in serving assessment area credit needs. Loans originated under these programs are given quantitative consideration under the Lending Test; however, the programs themselves are given qualitative consideration in the evaluation of the bank's CRA performance in relation to the use of flexible lending practices.

- *Affordable Home Improvement Loan (AHIL):* These loans are targeted to assessment area borrowers in LMI census tracts who would like to improve their dwelling or property. During the review period, 57 AHILs were originated totaling $567,667.

- *Credit Booster Loans:* These loans are designed to help borrowers establish credit or improve credit history by obtaining a loan and depositing the proceeds into a certificate of deposit (CD) account. Loan payments are made to pay off the loan, and after all payments are made, the customer has established some credit history and has a CD, which improves their savings. During the review period, 327 credit booster loans were originated at a total of $130,240.

- *Beyond Housing Repair Account:* Beyond Housing is a nonprofit organization that serves the 24 municipalities located in the Normandy School District in North St. Louis County. The organization developed the 24:1 initiative, which focuses on strengthening the community by addressing current community challenges, including affordable housing. Beyond Housing clients are provided with funds that have been deposited into an escrow account for the purpose of home repair or a qualified emergency, as determined by Beyond Housing. In 2019, the bank opened 84 accounts with a year-end balance of $47,693. The balance of these accounts at the time of the review was $6,727.

- *Portfolio 0% Down:* The product is intended for LMI borrowers or borrowers located in LMI geographies. The program features terms that are more flexible than traditional government-insured loans, such as a zero-down payment, cancellable mortgage insurance, and flexible funding source options including gifts and grants. During the review period, the bank made 34 of these loans totaling $5.0 million.

- *Missouri Housing Development Commission:* Through the First Place Loan program, the bank is a certified lender that is able to provide home loans that include down payment and closing cost assistance to LMI first-time homebuyers. During the review period, the bank originated six loans totaling $218,813 through this program.

- *Federal Home Loan Bank of Des Moines Home$tart® program:* Through this program, the bank provides up to $7,500 in down payment and closing cost assistance to LMI first-time home buyers. During the review period, the bank assisted 25 borrowers with down payment assistance through this program, totaling $85,400.

- *Federal Housing Agency/U.S. Department of Veterans Affairs Insured Loan Programs:* These government-insured loan programs offer flexible, long-term financing to eligible borrowers with low or no down payments. During the review period, the bank originated 239 loans totaling $52.0 million through these programs.

- *U.S. Department of Agriculture Rural Development Loan Program:* This loan program is designed to assist LMI individuals in purchasing affordable housing in rural areas and features no down payment or mortgage insurance requirements. During the review period, the bank originated 13 loans totaling $2.4 million.

- *HomeReady/Home Possible®:* These mortgage programs offered through Fannie Mae and Freddie Mac are available to all LMI borrowers. The programs feature terms that are more flexible than traditional government-insured loans, such as a lower down payment, cancellable mortgage insurance, and flexible funding source options such as gifts and grants. During the review period, the bank originated 45 loans through these programs totaling $7.0 million.

- *Emergency Assistance Loan:* In 2019, the bank developed and implemented an unsecured consumer loan product tailored to meet the needs of consumers impacted by an emergency event or disaster. The Emergency Assistance product features lower interest rates than the bank's typical unsecured loan products, no fees, a 45-day deferral for the first payment, and flexible evaluation of income for underwriting purposes. These loans were especially impactful for LMI borrowers given the flexible underwriting criteria and low cost. The bank originated 79 loans totaling $892,400 during the review period. This was notably more impactful in 2020 due to the COVID-19 pandemic, when the bank originated 68 loans totaling $835,450.

- *Alternative Payday Loan:* In 2020, the bank created an alternative payday loan to help meet an identified credit need in the assessment area as an alternative to the traditional payday loan. This product offers flexible underwriting criteria, no fees, longer repayment periods, and lower interest rates when compared to traditional payday loans. During the review period, the bank originated 11 loans totaling $8,000.

<u>Activities in Response to the COVID-19 Pandemic</u>

In response to the COVID-19 pandemic, additional consideration was given to the bank's retail lending activities that were responsive to the needs of LMI individuals or small businesses that were impacted. These activities were developed and implemented quickly and often despite resource and operational constraints that the bank faced due to disruptions caused by the pandemic. These activities are considered particularly responsive given their impact in alleviating some of the impact of the pandemic on LMI individuals and small businesses, the speed and responsiveness with which they were developed, and the significant resources and planning required to implement these activities. A summary of each of the bank's retail lending activities taken in response to the pandemic follows.

- Small Business Administration Paycheck Protection Program: PPP loans are available to businesses with fewer than 500 employees or businesses that meet SBA industry size standards. The program provided funds for payroll costs and other operational costs to businesses impacted by the pandemic in 2020 and are fully forgivable if employee retention criteria are met and the funds are used for eligible purposes. From March through August 2020, the bank originated 836 PPP loans totaling $285.0 million. As previously discussed in the *Community Development Lending Activity* section, a portion of these loans also received credit as qualified community development loans.

- Loan Forbearance and Modification Programs: Consideration was given to financial institutions offering payment accommodations, such as loan forbearance or payment modification plans, to consumer and commercial borrowers impacted by the pandemic. These activities had a significant impact on helping borrowers avoid delinquencies or negative credit bureau reporting caused by hardships from pandemic-related issues and eased cash flow pressures on businesses impacted by the pandemic. The bank offered payment extension or modification plans to 393 consumers and/or businesses.

INVESTMENT TEST

Midwest BankCentre's Investment Test is rated low satisfactory. The bank makes an adequate level of qualified community development investments and grants within its assessment area and is rarely in a leadership position. During the review period, the bank had 27 investments and 111 donations totaling $11.7 million in the assessment area. Of that total, $4.4 million were current period investments, $4.0 million were prior period investments still outstanding, and $3.3 million were donations to various community development organizations. Current period investments represent a decrease in performance from the bank's previous examination.

The bank also exhibits good responsiveness to credit and community development needs, and the bank makes occasional use of innovative and/or complex investments to support community development initiatives. The following investments and donations were notable for their responsiveness to the assessment area.

- The bank made ten current period investments totaling $3.2 million and one prior period investment totaling $266,298 for improvements to schools in the assessment area located in LMI geographies or primarily serving students who qualify for free or reduced-price lunches.

- The bank made four current period investments totaling $1.0 million and seven prior period investments totaling $2.0 million in tax credits for affordable housing in the assessment area.

- The bank has donated a previously closed branch for three consecutive years during the review period to an organization that is a small business incubator in a low-income tract.

- The bank donated land (a prior branch) to a local community development corporation that will construct an affordable senior living facility, which was a need identified by a community contact.

- Lastly, the bank donated a third branch that will be used for affordable housing. Tenants will be employed by the partnering occupant of the space who will provide job training and financial education to the tenants, another need identified by a community contact. In total, the three branch donations were valued at $3.0 million.

In addition to meeting the community development investment needs of its own assessment area, the bank made four new community development investments totaling $3.3 million and had 20 prior period investments totaling $21.1 million outside its assessment area. The majority of these investments were targeted to small business investment funds outside of the assessment area.

SERVICE TEST

Midwest BankCentre's Service Test is rated outstanding. The bank's service delivery systems are readily accessible to the assessment area, and its record of opening and closing offices has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. Business hours and services do not vary in a way that inconveniences the needs of the assessment area. Lastly, the bank is a leader in providing community development services in the assessment area.

Accessibility of Delivery Systems

Midwest BankCentre operates 17 offices in the assessment area, including its main office. Each of these offices contains a full-service ATM. The following table illustrates the distribution of branch facilities by geography income level compared to the distribution of census tracts and household population.

Branch Distribution by Geography Income Level

Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
Branches	23.5%	35.3%	23.5%	17.6%	0.0%	100.0%
Census Tracts	57	89	134	142	4	426
Household Population	8.8%	20.1%	34.9%	35.8%	0.4%	100.0%

As shown in the previous table, the percentage of branches located in LMI census tracts exceeds the demographic comparison. Therefore, the bank's overall delivery systems are readily accessible to areas and individuals of different income levels in the assessment area.

Changes in Branch Locations

Midwest BankCentre's record of opening and closing offices in this assessment area has generally not adversely affected the accessibility of delivery systems, particularly to LMI geographies and LMI individuals. During the review period, the bank closed two branches, both of which were in moderate-income census tracts. However, the bank maintains branches near those that were closed that can reasonably serve those areas.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Business hours and services do not vary in a way that inconveniences certain segments of the assessment area, particularly LMI geographies or LMI individuals. Hours of operation are generally consistent across all branches in the assessment area. Most branches, including those in LMI census tracts, offer Saturday lobby banking hours and drive-up facilities with extended hours. In addition, customers have surcharge-free ATM access at over 37,000 locations throughout the assessment area and in a nationwide network.

Community Development Services

The bank is a leader in providing community development services in the assessment area. During the review period, bank employees and officers provided 143 services across 47 different community development organizations in the assessment area. A significant number of bank employees are active in providing ongoing financial expertise through classes offered at the bank and to community development organizations that serve the needs of LMI families and small businesses. These organizations provide financial literacy programs for LMI school children, free tax assistance for low-income families, safe and affordable housing for LMI families, and help in revitalization zones designated as areas of high poverty.

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.

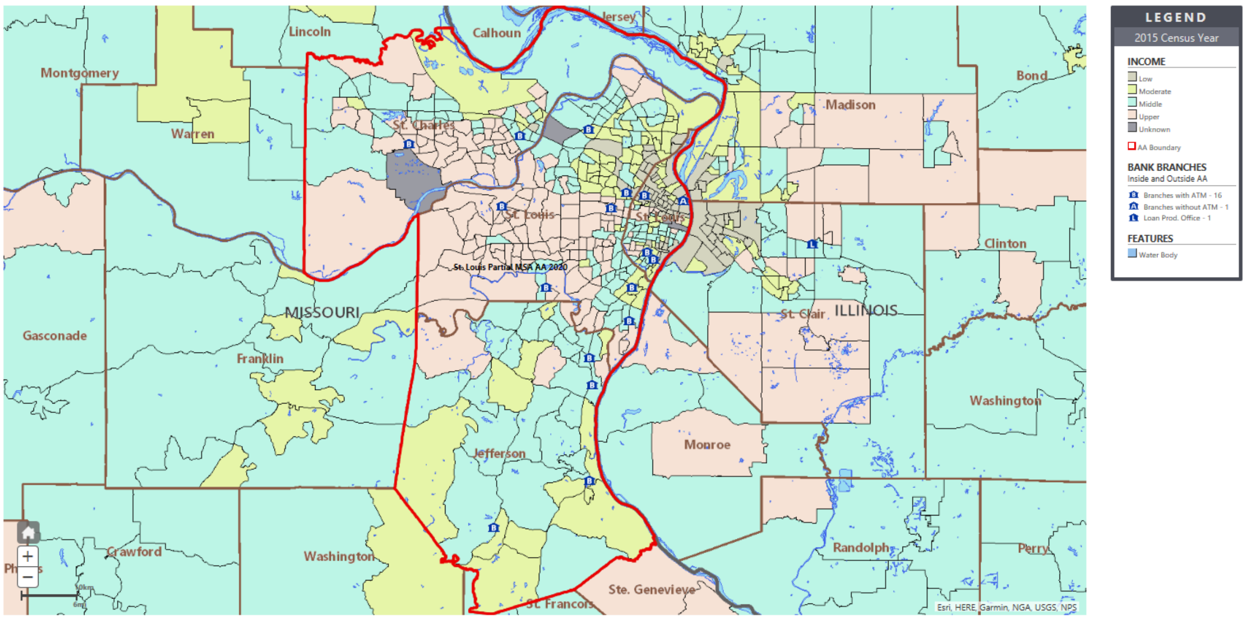
Appendix A

SCOPE OF EXAMINATION		
TIME PERIOD REVIEWED	January 1, 2019 – December 31, 2020 for HMDA and small business lending February 11, 2019 – February 21, 2022 for community development loan, investment, and service activities	
FINANCIAL INSTITUTION Midwest BankCentre St. Louis, Missouri		**PRODUCTS REVIEWED** HMDA Small Business
AFFILIATE(S)	**AFFILIATE RELATIONSHIP**	**PRODUCTS REVIEWED**
N/A	N/A	N/A

Appendix B

ASSESSMENT AREA DETAIL

Midwest BankCentre - St. Louis, MO 2022
St. Louis Partial MSA AA



2020 PE Map

Appendix C

LENDING PERFORMANCE TABLES BY FULL-SCOPE ASSESSMENT AREAS

St. Louis Partial Multistate MSA

Geographic Distribution of Residential Real Estate Loans Assessment Area: St. Louis								
Product Type	Tract Income Levels	2019						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	10	4.1%	2.2%	683	1.1%	1.0%	4.8%
	Moderate	44	18.1%	15.0%	4,724	7.7%	9.2%	17.3%
	Middle	70	28.8%	38.6%	15,553	25.5%	32.8%	35.9%
	Upper	119	49.0%	44.0%	40,032	65.6%	56.8%	41.8%
	Unknown	0	0.0%	0.2%	0	0.0%	0.2%	0.2%
	TOTAL	**243**	**100.0%**	**100.0%**	**60,992**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	13	5.6%	1.0%	751	1.3%	0.5%	4.8%
	Moderate	41	17.7%	8.6%	5,524	9.9%	5.2%	17.3%
	Middle	70	30.2%	34.4%	11,370	20.3%	27.1%	35.9%
	Upper	108	46.6%	55.9%	38,379	68.5%	67.1%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.2%
	TOTAL	**232**	**100.0%**	**100.0%**	**56,024**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	7	20.0%	1.6%	464	38.7%	1.1%	4.8%
	Moderate	17	48.6%	10.9%	163	13.6%	7.2%	17.3%
	Middle	11	31.4%	34.8%	572	47.7%	30.0%	35.9%
	Upper	0	0.0%	52.5%	0	0.0%	61.4%	41.8%
	Unknown	0	0.0%	0.2%	0	0.0%	0.4%	0.2%
	TOTAL	**35**	**100.0%**	**100.0%**	**1,199**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	4	13.3%	16.1%	1,161	6.9%	3.2%	12.3%
	Moderate	9	30.0%	34.5%	3,239	19.3%	22.5%	20.1%
	Middle	13	43.3%	31.4%	9,455	56.2%	42.9%	34.1%
	Upper	4	13.3%	17.7%	2,965	17.6%	29.6%	32.5%
	Unknown	0	0.0%	0.3%	0	0.0%	1.8%	1.0%
	TOTAL	**30**	**100.0%**	**100.0%**	**16,820**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	7.5%	0	0.0%	3.8%	4.8%
	Moderate	0	0.0%	28.4%	0	0.0%	27.1%	17.3%
	Middle	0	0.0%	38.4%	0	0.0%	33.0%	35.9%
	Upper	0	0.0%	25.6%	0	0.0%	36.0%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Appendix C (Continued)

HMDA TOTALS	Low	34	6.3%	1.8%	3,059	2.3%	0.9%	4.8%
	Moderate	111	20.6%	12.2%	13,650	10.1%	8.1%	17.3%
	Middle	164	30.4%	36.5%	36,950	27.4%	30.6%	35.9%
	Upper	231	42.8%	49.5%	81,376	60.3%	60.2%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.2%	0.2%
	TOTAL	**540**	**100.0%**	**100.0%**	**135,035**	**100.0%**	**100.0%**	**100.0%**

Appendix C (Continued)

Geographic Distribution of Residential Real Estate Loans Assessment Area: St. Louis								
Product Type	Tract Income Levels	2020						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	9	3.8%	2.3%	873	1.6%	1.1%	4.8%
	Moderate	30	12.7%	14.7%	4,596	8.2%	9.1%	17.3%
	Middle	87	36.9%	38.9%	16,643	29.6%	33.8%	35.9%
	Upper	110	46.6%	43.8%	34,173	60.7%	55.8%	41.8%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
	TOTAL	**236**	**100.0%**	**100.0%**	**56,285**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	11	1.6%	0.7%	1,109	0.6%	0.4%	4.8%
	Moderate	49	7.0%	7.3%	7,972	4.2%	4.7%	17.3%
	Middle	216	30.7%	33.5%	40,709	21.6%	27.2%	35.9%
	Upper	424	60.3%	58.3%	137,632	73.1%	67.6%	41.8%
	Unknown	3	0.4%	0.1%	810	0.4%	0.2%	0.2%
	TOTAL	**703**	**100.0%**	**100.0%**	**188,232**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	5	16.1%	1.4%	573	7.9%	1.0%	4.8%
	Moderate	4	12.9%	8.4%	515	7.1%	5.6%	17.3%
	Middle	9	29.0%	32.8%	1,634	22.6%	27.2%	35.9%
	Upper	13	41.9%	57.3%	4,519	62.4%	66.1%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.2%
	TOTAL	**31**	**100.0%**	**100.0%**	**7,241**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	3	11.1%	18.0%	1,826	5.3%	4.2%	12.3%
	Moderate	7	25.9%	29.4%	16,644	47.9%	15.9%	20.1%
	Middle	9	33.3%	29.4%	10,023	28.8%	21.4%	34.1%
	Upper	8	29.6%	22.8%	6,258	18.0%	55.2%	32.5%
	Unknown	0	0.0%	0.5%	0	0.0%	3.3%	1.0%
	TOTAL	**27**	**100.0%**	**100.0%**	**34,751**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	5.1%	0	0.0%	2.8%	4.8%
	Moderate	0	0.0%	24.9%	0	0.0%	16.4%	17.3%
	Middle	0	0.0%	42.7%	0	0.0%	41.4%	35.9%
	Upper	0	0.0%	27.2%	0	0.0%	39.3%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Appendix C (Continued)

HMDA TOTALS	Low	28	2.8%	1.4%	4,381	1.5%	0.7%	4.8%
	Moderate	90	9.0%	10.1%	29,727	10.4%	6.5%	17.3%
	Middle	321	32.2%	35.3%	69,009	24.1%	29.2%	35.9%
	Upper	555	55.7%	53.0%	182,582	63.7%	63.3%	41.8%
	Unknown	3	0.3%	0.2%	810	0.3%	0.3%	0.2%
	TOTAL	**997**	**100.0%**	**100.0%**	**286,509**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans
Assessment Area: St. Louis

Tract Income Levels	2019						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ 000s	$ %	$ %	%
Low	64	9.1%	5.1%	$13,474	8.5%	5.4%	5.9%
Moderate	189	27.0%	17.3%	$35,935	22.6%	18.2%	17.5%
Middle	188	26.8%	30.3%	$37,196	23.4%	27.8%	31.1%
Upper	249	35.5%	45.6%	$69,694	43.9%	45.4%	44.4%
Unknown	11	1.6%	1.7%	$2,621	1.6%	3.2%	1.1%
TOTAL	**701**	**100.0%**	**100.0%**	**$158,920**	**100.0%**	**100.0%**	**100.0%**

Geographic Distribution of Small Business Loans
Assessment Area: St. Louis

Tract Income Levels	2020						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ 000s	$ %	$ %	%
Low	160	7.9%	5.2%	$23,692	7.9%	5.2%	6.1%
Moderate	471	23.2%	16.7%	$65,023	21.6%	18.2%	17.7%
Middle	683	33.7%	30.4%	$95,863	31.8%	28.7%	31.1%
Upper	685	33.8%	46.2%	$112,521	37.3%	45.4%	44.1%
Unknown	27	1.3%	1.4%	$4,505	1.5%	2.5%	1.1%
TOTAL	**2,026**	**100.0%**	**100.0%**	**$301,604**	**100.0%**	**100.0%**	**100.0%**

Appendix C (Continued)

Borrower Distribution of Residential Real Estate Loans
Assessment Area: St. Louis

Product Type	Borrower Income Levels	2019						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	30	12.3%	9.9%	2,827	4.6%	4.9%	20.9%
	Moderate	31	12.8%	20.8%	4,349	7.1%	14.7%	16.7%
	Middle	35	14.4%	20.9%	6,820	11.2%	19.1%	19.6%
	Upper	92	37.9%	33.1%	34,608	56.7%	47.0%	42.8%
	Unknown	55	22.6%	15.3%	12,388	20.3%	14.3%	0.0%
	TOTAL	**243**	**100.0%**	**100.0%**	**60,992**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	21	9.1%	5.9%	3.3%	20.9%	3.0%	20.9%
	Moderate	27	11.6%	14.8%	7.1%	16.7%	9.4%	16.7%
	Middle	36	15.5%	21.0%	11.7%	19.6%	17.1%	19.6%
	Upper	107	46.1%	41.4%	65.5%	42.8%	54.0%	42.8%
	Unknown	41	17.7%	16.9%	12.4%	0.0%	16.4%	0.0%
	TOTAL	**232**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	8	22.9%	7.8%	9.9%	20.9%	4.6%	20.9%
	Moderate	8	22.9%	16.4%	15.1%	16.7%	12.0%	16.7%
	Middle	7	20.0%	22.5%	11.6%	19.6%	19.8%	19.6%
	Upper	8	22.9%	48.6%	31.7%	42.8%	57.4%	42.8%
	Unknown	4	11.4%	4.6%	31.7%	0.0%	6.2%	0.0%
	TOTAL	**35**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.5%	0	0.0%	0.0%	19.6%
	Moderate	0	0.0%	0.5%	0	0.0%	0.1%	42.8%
	Middle	0	0.0%	0.5%	0	0.0%	0.1%	0.0%
	Upper	0	0.0%	2.6%	0	0.0%	0.5%	**100.0%**
	Unknown	30	100.0%	95.8%	16,820	100.0%	99.3%	19.6%
	TOTAL	**30**	**100.0%**	**100.0%**	**16,820**	**100.0%**	**100.0%**	42.8%
Purpose Not Applicable	Low	0	0.0%	0.2%	0	0.0%	0.1%	20.9%
	Moderate	0	0.0%	0.5%	0	0.0%	0.4%	16.7%
	Middle	0	0.0%	0.2%	0	0.0%	0.1%	19.6%
	Upper	0	0.0%	0.5%	0	0.0%	1.5%	42.8%
	Unknown	0	0.0%	98.6%	0	0.0%	97.9%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	59	10.9%	7.9%	4,793	3.5%	3.8%	20.9%
	Moderate	66	12.2%	17.6%	8,500	6.3%	11.4%	16.7%
	Middle	78	14.4%	20.6%	13,516	10.0%	17.1%	19.6%
	Upper	207	38.3%	37.2%	71,691	53.1%	47.9%	42.8%
	Unknown	130	24.1%	16.7%	36,535	27.1%	19.7%	0.0%
	TOTAL	**540**	**100.0%**	**100.0%**	**135,035**	**100.0%**	**100.0%**	**100.0%**

Appendix C (Continued)

Borrower Distribution of Residential Real Estate Loans Assessment Area: St. Louis								
Product Type	Borrower Income Levels	2020						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	24	10.2%	10.2%	3,179	5.6%	5.3%	20.9%
	Moderate	41	17.4%	22.6%	7,389	13.1%	16.5%	16.7%
	Middle	41	17.4%	20.1%	8,220	14.6%	18.8%	19.6%
	Upper	77	32.6%	32.6%	26,772	47.6%	45.4%	42.8%
	Unknown	53	22.5%	14.5%	10,725	19.1%	14.2%	0.0%
	TOTAL	**236**	**100.0%**	**100.0%**	**56,285**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	37	5.3%	4.2%	3,811	2.0%	2.0%	20.9%
	Moderate	95	13.5%	13.8%	15,137	8.0%	9.1%	16.7%
	Middle	146	20.8%	19.8%	28,183	15.0%	16.4%	19.6%
	Upper	372	52.9%	44.2%	128,739	68.4%	55.0%	42.8%
	Unknown	53	7.5%	18.0%	12,362	6.6%	17.5%	0.0%
	TOTAL	**703**	**100.0%**	**100.0%**	**188,232**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	3	9.7%	7.3%	165	2.3%	4.0%	20.9%
	Moderate	2	6.5%	13.5%	198	2.7%	10.0%	16.7%
	Middle	6	19.4%	22.2%	850	11.7%	18.9%	19.6%
	Upper	13	41.9%	52.3%	4,350	60.1%	59.6%	42.8%
	Unknown	7	22.6%	4.7%	1,678	23.2%	7.5%	0.0%
	TOTAL	**31**	**100.0%**	**100.0%**	**7,241**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	1	3.7%	0.3%	105	0.3%	0.0%	20.9%
	Moderate	0	0.0%	0.3%	0	0.0%	0.0%	16.7%
	Middle	0	0.0%	0.3%	0	0.0%	0.0%	19.6%
	Upper	1	3.7%	1.8%	696	2.0%	0.5%	42.8%
	Unknown	25	92.6%	97.5%	33,950	97.7%	99.4%	0.0%
	TOTAL	**27**	**100.0%**	**100.0%**	**34,751**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.1%	0	0.0%	0.1%	20.9%
	Moderate	0	0.0%	0.2%	0	0.0%	0.1%	16.7%
	Middle	0	0.0%	0.1%	0	0.0%	0.0%	19.6%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	42.8%
	Unknown	0	0.0%	99.7%	0	0.0%	99.8%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	65	6.5%	6.1%	7,260	2.5%	3.0%	20.9%
	Moderate	138	13.8%	16.3%	22,724	7.9%	11.1%	16.7%
	Middle	193	19.4%	19.5%	37,253	13.0%	16.5%	19.6%
	Upper	463	46.4%	39.9%	160,557	56.0%	50.1%	42.8%
	Unknown	138	13.8%	18.2%	58,715	20.5%	19.2%	0.0%
	TOTAL	**997**	**100.0%**	**100.0%**	**286,509**	**100.0%**	**100.0%**	**100.0%**

Appendix C (Continued)

Small Business Loans by Revenue and Loan Size Assessment Area: St. Louis									
Business Revenue and Loan Size			**2019**						
			Count			**Dollars**			**Total Businesses**
			Bank		**Aggregate**	**Bank**		**Aggregate**	
			#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue		$1 Million or Less	339	48.4%	47.3%	$54,385	34.2%	29.1%	89.4%
		Over $1 Million/ Unknown	362	51.6%	52.7%	$104,535	65.8%	70.9%	10.6%
		TOTAL	**701**	**100.0%**	**100.0%**	**$158,920**	**100.0%**	**100.0%**	**100.0%**
Loan Size		$100,000 or Less	299	42.7%	91.5%	$16,200	10.2%	29.0%	
		$100,001–$250,000	183	26.1%	3.9%	$32,554	20.5%	15.5%	
		$250,001–$1 Million	219	31.2%	4.6%	$110,166	69.3%	55.5%	
		Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
		TOTAL	**701**	**100.0%**	**100.0%**	**$158,920**	**100.0%**	**100.0%**	
Loan Size	**Revenue $1 Million or Less**	$100,000 or Less	185	54.6%		$9,675	17.8%		
		$100,001–$250,000	92	27.1%		$15,520	28.5%		
		$250,001–$1 Million	62	18.3%		$29,190	53.7%		
		Over $1 Million	0	0.0%		$0	0.0%		
		TOTAL	**339**	**100.0%**		**$54,385**	**100.0%**		

Appendix C (Continued)

Small Business Loans by Revenue and Loan Size
Assessment Area: St. Louis

Business Revenue and Loan Size		2020						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Business Revenue	$1 Million or Less	405	20.0%	39.7%	$73,184	24.3%	23.2%	89.7%
	Over $1 Million/ Unknown	1621	80.0%	60.3%	$228,420	75.7%	76.8%	10.3%
	TOTAL	**2,026**	**100.0%**	**100.0%**	**$301,604**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	1,278	63.1%	84.0%	$42,996	14.3%	24.3%	
	$100,001–$250,000	362	17.9%	8.4%	$60,787	20.2%	19.9%	
	$250,001–$1 Million	386	19.1%	7.6%	$197,821	65.6%	55.9%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**2,026**	**100.0%**	**100.0%**	**$301,604**	**100.0%**	**100.0%**	
Loan Size / Revenue $1 Million or Less	$100,000 or Less	196	48.4%		$9,024	12.3%		
	$100,001–$250,000	128	31.6%		$20,767	28.4%		
	$250,001–$1 Million	81	20.0%		$43,393	59.3%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**405**	**100.0%**		**$73,184**	**100.0%**		

Distribution of Small Business Loans by Gross Annual Revenue Category
Assessment Area: St. Louis

Gross Revenue Level	Percent of Businesses	Count	Percent	Dollars (000s)	Percent
≤$1,000,000					
2019	89.4%	339	48.4%	54,385	34.2%
2020	89.7%	405	20.0%	73,184	24.3%
>$1,000,000					
2019	9.8%	309	44.1%	93,179	58.6%
2020	9.5%	314	15.5%	96,321	31.9%
Revenue Not Available					
2019	0.8%	53	7.6%	11,356	7.1%
2020	0.8%	1,307	64.5%	132,099	43.8%
TOTALS					
2019	**100.0%**	**701**	**100.0%**	**158,920**	**100.0%**
2020	**100.0%**	**2,026**	**100.0%**	**301,604**	**100.0%**

Source: 2019 & 2020 Dun & Bradstreet Data; bank data 1/1/2019–12/31/2020

Appendix D

GLOSSARY

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

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

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

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

Community development: An activity associated with one of the following five descriptions: (1) <u>affordable housing</u> (including multifamily rental housing) for low- or moderate-income individuals; (2) <u>community services</u> targeted to low- or moderate-income individuals; (3) activities that promote <u>economic development</u> by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that <u>revitalize or stabilize</u> 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.

Appendix D (continued)

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).

Appendix D (continued)

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.

Appendix D (continued)

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.