

PUBLIC DISCLOSURE

February 3, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Peoples Bank & Trust Company
RSSD #909055**

**430 East Wood Street
Troy, Missouri 63379**

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

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

- The loan-to-deposit (LTD) ratio is reasonable, given the institution's size, financial condition, and credit needs of the assessment areas.
- A majority of loans and other lending-related activities are in the assessment areas.
- The distribution of loans to borrowers reflects reasonable penetration among individuals of different income levels (including low- and moderate-income [LMI]) and businesses of different revenue sizes.
- The geographic distribution of loans reflects excellent dispersion throughout the assessment areas.
- No CRA-related complaints were 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.

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. Bank performance under these tests is rated at the institution level. The bank maintains operations in two delineated assessment areas within the state of Missouri. The primary assessment area is located in the St. Louis Missouri-Illinois metropolitan statistical area (St. Louis MSA) and comprises Lincoln County and the northwest portion of St. Charles County, both in Missouri. The second assessment area is located directly north of the St. Louis assessment area and consists of Pike County in its entirety, located in the nonMSA portion of the state.

The following table details the number of branch offices, breakdown of deposits, and CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2019.

Assessment Area	Offices		Deposits as of June 30, 2019		Assessment Area Reviews		
	#	%	\$ (000s)	%	Full Scope	Limited Scope	TOTAL
St. Louis	7	87.5%	\$378,750	94.5%	1	0	1
Pike County	1	12.5%	\$21,974	5.5%	0	1	1
OVERALL	8	100%	\$400,724	100%	1	1	2

In light of branch structure, loan and deposit activity, and the bank’s CRA evaluation history, performance in the St. Louis 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 and small business 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 overall lending performance. The bank’s loan portfolio mix indicates an emphasis on commercial lending; however, the bank has a significant level of home mortgage lending by volume and a substantial amount of mortgage loans that are sold on the secondary market. Therefore, small business and HMDA loans were given equal weight for this evaluation. The following table details the performance criterion and the corresponding time periods used in each analysis.

Performance Criterion	Time Period
LTD Ratio	March 31, 2017 – December 31, 2019
Assessment Area Concentration	January 1, 2018 – December 31, 2018
Geographic Distribution of Loans	
Loan Distribution by Borrower’s Profile	
Response to Written CRA Complaints	January 30, 2017 – February 2, 2020
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 American Community Survey (ACS) data; certain business demographics are based on 2018 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. Two other banks were identified as similarly situated peers, with asset sizes ranging from \$391.9 million to \$518.0 million as of December 31, 2019.

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.
- The extent to which the bank provides community development services.

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

To augment this evaluation, two community contact interviews conducted with members of the local community were utilized 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 specific *Description of Assessment Area* section for the full-scope, St. Louis assessment area.

DESCRIPTION OF INSTITUTION

Peoples Bank & Trust Company is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Lincoln County Bancorp, Inc., a five-bank holding company. The bank and its holding company are headquartered in Troy, Missouri. The bank's branch network consists of eight offices (including the main office), all of which have full-service automated teller machines (ATMs) on site. In addition to being full-service facilities, the main office and all branches have drive-up accessibility, and the bank operates seven stand-alone ATMs that are cash-dispensing only. Finally, through the bank's participation in the MoneyPass Network, customers have access to 32,000 surcharge-free ATMs located within the United States and Puerto Rico. The bank opened one new branch office during the review period. In August 2019, the bank opened a branch in Cottleville, Missouri, located in St. Charles County in the St. Louis assessment area. 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 the entirety of its assessment areas.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of December 30, 2019, the bank reported total assets of \$485.3 million. As of the same date, loans and leases outstanding were \$277.1 million (57.1 percent of total assets), and deposits totaled \$434.3 million. The bank's loan portfolio composition by credit category is displayed in the following table.

Distribution of Total Loans as of December 31, 2019		
Credit Category	Amount (\$000s)	Percentage of Total Loans
Construction and Development	\$24,852	9.0%
Commercial Real Estate	\$93,127	33.6%
Multifamily Residential	\$7,493	2.7%
1-4 Family Residential	\$46,236	16.7%
Farmland	\$31,973	11.5%
Farm Loans	\$5,877	2.1%
Commercial and Industrial	\$52,170	18.8%
Loans to Individuals	\$2,275	0.8%
Total Other Loans	\$13,099	4.7%
TOTAL	\$277,102	100%

As indicated in the table above, a significant portion of the bank's lending resources is directed to commercial real estate loans, commercial and industrial loans, and loans secured by 1-4 family residential properties. As previously mentioned, the bank 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 would not be captured in the table. Since

its previous CRA evaluation, Peoples Bank & Trust Company originated 327 loans totaling \$53.0 million, which were sold into the secondary market.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on January 30, 2017.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Peoples Bank & Trust Company 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 12-quarter average, dating back to the bank’s last CRA evaluation.

LTD Ratio Analysis			
Name	Headquarters	December 31, 2019	Average LTD Ratio
Peoples Bank & Trust Company	Troy, Missouri	\$485,291	66.7%
Regional Banks	Old Monroe, Missouri	\$391,852	77.0%
	Hannibal, Missouri	\$517,723	87.5%

Based on data from the previous table, the bank’s level of lending is slightly below that of the other peer banks in the region. During the first half of the review period, the bank’s quarterly LTD ratio experienced an increasing trend, with a high of 73.9 percent in the third quarter of 2018, followed by an overall decline to a low of 62.7 percent in the fourth quarter of 2019. Considering the entire review period, the bank maintained a 12-quarter average LTD of 66.7 percent. While it experienced fluctuations, the bank’s 12-quarter average LTD ratio increased from 55.5 percent at the previous CRA evaluation. Compared to data from regional banks, the bank’s average LTD ratio is reasonable given the bank’s size, financial condition, overall trend in LTD, 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, 2018 through December 31, 2018						
Loan Type	Inside Assessment Areas		Outside Assessment Areas		TOTAL	
HMDA	485	76.0%	153	24.0%	638	100%
	65,251	73.0%	24,111	27.0%	\$89,362	100%
Small Business	76	81.7%	17	18.3%	93	100%
	10,246	69.8%	4,441	30.2%	\$14,687	100%
TOTAL LOANS	561	76.7%	170	23.3%	731	100%
	75,497	72.6%	28,552	27.4%	\$104,049	100%

A majority of loans and other lending-related activities were made in the bank’s assessment areas. As shown above, 76.7 percent of the total loans were made inside the assessment areas, accounting for 72.6 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

As displayed in the following table, overall performance by borrower’s income/revenue profile is reasonable, based on analyses of lending in the St. Louis and Pike County assessment areas, as displayed in the following table. The bank’s level of lending in Pike County was reviewed to determine whether performance was consistent with that of the full-scope assessment area, but did not impact the overall conclusion.

Assessment Area	Loan Distribution by Borrower’s Profile
St. Louis	Reasonable
Pike County (Limited-Scope)	Exceeds
OVERALL	REASONABLE

The overall distribution of lending by income level of census tract reflects excellent penetration throughout the assessment areas, with primary emphasis on the St. Louis assessment area. As with loan distribution by borrower’s profile, performance in the limited-scope assessment area did not impact the overall conclusion.

Assessment Area	Geographic Distribution of Loans
St. Louis	Excellent
Pike County (Limited-Scope)	Below
OVERALL	EXCELLENT

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (January 30, 2014 through February 2, 2020).

COMMUNITY DEVELOPMENT TEST

Peoples Bank & Trust Company’s performance under the Community Development Test is rated satisfactory. The bank demonstrates adequate responsiveness to the community development needs of the St. Louis assessment area, considering the bank’s capacity and the need and availability of such opportunities for community development in the assessment area.

Assessment Area	Community Development Test Performance Conclusions
St. Louis	Adequate
Pike County (Limited-Scope)	Below
OVERALL	ADEQUATE

The bank’s community development responsiveness is adequate, given its level of community development activities. While performance varied between the two assessment areas, the overall Community Development Test rating was based on performance in the full scope St. Louis assessment area. Performance in the Pike County assessment area, which was examined using limited-scope examination procedures, did not diminish performance in the St. Louis assessment area.

During the review period, the bank made seven qualifying loans in its assessment areas totaling approximately \$1.7 million. All loans were to small businesses providing affordable housing to LMI residents.

The bank also made community development investments and donations in its assessment areas totaling \$1.5 million. This amount included three continuing investments made in a prior review period totaling \$1.45 million and 42 donations totaling \$93,863. The investments were municipal bonds issued for the county hospital and infrastructure improvements. Furthermore, the donations were to 20 separate organizations having a community development purpose.

During the review period, seven bank employees used financial expertise to log nine service activities to six different community development organizations within the bank’s assessment areas. Service activities included delivering financial education in schools that primarily serve LMI families, and providing financial expertise to community service organizations as board members, presidents, and treasurers.

Furthermore, during the review period the bank originated six community development leases totaling \$4.7 million. The purpose of these leases include funding the purchase of police and ambulance vehicles, road repair equipment for local municipalities serving LMI census tracts, and school buses for districts with a majority of students from LMI families.

In addition to adequately meeting the community development needs of its own assessment areas, the bank originated one loan, purchased two new bonds, and used financial expertise to provide services to two organizations outside of its assessment areas that qualified for community development credit. The loan originated was for a low-income housing complex in Kansas City, Missouri, totaling \$4.0 million. The bond purchases totaled \$4 million and were issued to fund affordable housing developments. Finally, the community development services were provided to a school district that serves primarily LMI families and a domestic violence center where a majority of participants are below the federal poverty level.

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.

ST. LOUIS MISSOURI-ILLINOIS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates seven of its eight offices (87.5 percent) in this assessment area. Of the seven offices, two are located in moderate-income census tracts, four are located in middle-income census tracts, and one is located in an upper-income census tract. Since the last examination, the bank opened one new branch in this assessment area, in St. Charles County, within an upper-income census tract. 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 comprises Lincoln County and the northwest portion of St. Charles County. Both counties are located within the St. Louis MSA. This is the bank’s primary assessment area, and, per 2015 ACS data, the assessment area has a population of 302,705. St. Charles County is the more populous of the two counties comprising the assessment area, with a total population of 374,805, while Lincoln County has a population of 53,850. The northwest portion of Lincoln County is rural in nature with a high dependence on agricultural production. Of the 37 FDIC-insured depository institutions with a branch presence in this assessment area, the bank ranked sixth in deposit market share, encompassing 5.0 percent of total deposit dollars.

Credit needs include a mix of consumer and business loan products. Other particular credit needs, noted primarily from community contacts, include home purchase and home improvement loans targeted to LMI individuals, along with small business financing and credit counseling. One contact noted that while new housing subdivisions are being constructed, the homes are not affordable for LMI residents. The contact added that the area does not have sufficient single-family and/or rental housing stock to meet the demands of the area’s homebuyers and renters.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	0 0.0%	5 9.1%	22 40.0%	28 50.9%	0 0.0%	55 100%
Family Population	0 0.0%	6,922 8.4%	33,039 40.3%	42,070 51.3%	0 0.0%	82,031 100%

As shown above, this assessment area does not contain any low-income census tracts. The assessment area contains five moderate-income census tracts (9.1 percent of assessment area census tracts, holding 8.4 percent of the family population). Two of the moderate-income tracts are located in the center of Lincoln County, in Troy, Missouri; one is located in the western region of St. Charles County; and two are located in the eastern portions of Lincoln and St. Charles Counties, along the Mississippi River.

Based on 2015 ACS data, the median family income for the assessment area was \$82,302, which is significantly higher than the median family income of the St. Louis MSA median family income of \$70,718. More recently, the FFIEC estimates the 2018 median family income for the St. Louis MSA to be \$76,600. The following table displays population percentages of assessment area families by income level compared to the St. Louis MSA family population as a whole.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	10,751	12,438	18,251	40,591	82,031
	13.1%	15.2%	22.3%	49.5%	100%
St. Louis MSA	155,627	125,318	144,204	294,177	719,326
	21.6%	17.4%	20.1%	40.9%	100%

Based on the data in the preceding table, the assessment area is more affluent than the St. Louis MSA as a whole. The assessment area’s percentage of LMI families (28.3 percent) is well below that of the overall MSA (39.0 percent). In addition, the level of assessment area families living below the poverty level (5.2 percent) is below that of the MSA as a whole (9.6 percent).

Housing Demographics

As displayed in the following table, homeownership in the assessment area is slightly more affordable (considering income levels) than in the St. Louis MSA as a whole, despite median housing values and rental costs being higher.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Lincoln County	\$144,500	37.2%	\$804
St. Charles County	\$188,200	38.5%	\$931
St. Louis Assessment Area	\$184,896	39.3%	\$959
St. Louis MSA	\$157,100	35.1%	\$815

Median gross rents varied by county in the assessment area from a low of \$804 in Lincoln County to a high of \$931 in St. Charles County. Affordability ratios also varied slightly, ranging from a high of 38.5 percent in St. Charles County, which is located in the southern portion of the assessment area, to a low of 37.2 percent in Lincoln County. While assessment area rents and housing values are generally higher than in the St. Louis MSA as a whole, the assessment area has higher family income levels, and thus has higher affordability ratios. Therefore, housing appears

more affordable for residents in the assessment area than in the St. Louis MSA overall. However, one community contact noted that high competition for single family housing stock makes it difficult for LMI individuals to access affordable rental homes. In addition, the contact stated that LMI homeowners struggle to maintain their homes because they lack funding for needed repairs.

Industry and Employment Demographics

The assessment area supports a large and diverse service community, including a strong small business sector, as evidenced by Dun & Bradstreet data, which indicates 92.4 percent of assessment area businesses have annual revenues of \$1 million or less. County business patterns indicate that there are 145,692 paid employees in the assessment area. By percentage of employees, the three largest job categories are retail trade (15.0 percent), followed by accommodation and food services (14.0 percent), and health care and social assistance (12.9 percent). The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted), for each county of the assessment area, the assessment area as a whole, and the St. Louis MSA as a whole.

Unemployment Levels for the Assessment Area			
Dataset	Time Period (Annual Average)		
	2017	2018	2019 (9-month average)
Lincoln County	3.6%	3.3%	3.5%
St. Charles County	2.9%	2.5%	2.6%
Assessment Area Average	2.9%	2.6%	2.7%
St. Louis MSA	3.5%	3.1%	3.2%

As shown in the table above, unemployment levels varied between the counties comprising the assessment area, with Lincoln County levels ranging higher than the MSA as a whole, and St. Charles County levels ranging lower than the MSA as a whole. For the time period reviewed, unemployment levels remained relatively stable. The assessment area and the MSA saw unemployment rates drop from 2017 to 2018, with a slight uptick in 2019 year-to-date.

Community Contact Information

Two community contact interviews were referenced as part of this evaluation. The interviews were conducted with individuals working at an economic development office and a local affordable housing agency, both located in the assessment area.

Community contacts indicated the local economy is doing well overall, citing manufacturing as a major industry and noting Lincoln County’s dependence on agricultural production. The contacts stated that Lincoln County benefits from the proximity of St. Charles County, which has experienced significant population growth and has higher income levels, but that portions of Lincoln County still struggle with poverty and low rates of homeownership. Furthermore, the contact working in housing noted that certain areas in Lincoln County (such as the city of Silex) experienced flooding in the spring of 2019, which has had a negative impact on the economy in those areas.

The contacts commented on the low Lincoln County unemployment figures differing greatly in relation to the county's poverty rate. The disparities were attributed to underemployment and lack of educational and workforce development opportunities in Lincoln County. The contact working in economic development further explained that a technical college in the area would help meet this need. Currently, many Lincoln County residents travel outside of the area to access educational programs. The same contact also stated that barriers for small businesses and startups include lack of capital, lack of a sufficient business plan, and lack of access to affordable rental commercial properties in the area. Moreover, insufficient broadband infrastructure in Lincoln County makes it less attractive for businesses that might otherwise be attracted to the county's small business friendly environment.

The contact working in housing noted a need for affordable housing in Lincoln County and stated that newer single family construction does not include affordable housing. Additionally, the supply of affordable single family homes is insufficient to meet the demands of area homebuyers. Competition is high, and LMI homebuyers cannot compete. The contact indicated that housing assistance programs typically have full waiting lists, with wait times in excess of six months to two years. Another issue faced by LMI homeowners is a lack of adequate capital for needed repairs. Accordingly, the contact highlighted home purchase and improvement loans targeted to LMI individuals as primary credit needs in the assessment area.

Both contacts agree the assessment area is adequately banked, with residents having sufficient access to bank branches, ATMs, and online banking services. Further opportunities in the area for financial institutions, noted by the contacts, include small business and home ownership counseling, investment in low-income multi-family housing development, and assistance for local workforce development programs. Finally, both contacts spoke positively of Peoples Bank and Trust, expressing that it is one of the most active banks in the community.

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

LENDING TEST

The bank's Lending Test rating in the St. Louis assessment area is satisfactory. The distribution of loans reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. The geographic distribution of loans reflects excellent penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is reasonable, based on performance from both loan categories reviewed. As previously stated, equal emphasis was placed on both HMDA and small business loan products.

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 (\$76,600 for the St. Louis MSA as of 2018). The following table shows the distribution of HMDA reported loans by borrower income level in comparison to family population income demographics for the assessment area. Additionally, 2018 aggregate data for the assessment area is displayed.

Borrower Distribution of HMDA Loans								
Assessment Area: St. Louis Assessment Area								
Product Type	Borrower Income Levels	2018						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	2	3.1%	5.6%	141	1.2%	3.3%	13.1%
	Moderate	10	15.6%	18.8%	1,002	8.3%	14.9%	15.2%
	Middle	15	23.4%	23.3%	2,127	17.5%	22.5%	22.2%
	Upper	28	43.8%	34.2%	7,063	58.3%	41.0%	49.5%
	Unknown	9	14.1%	18.2%	1,790	14.8%	18.4%	0.0%
	TOTAL	64	100.0%	100.0%	12,123	100.0%	100.0%	100.0%
Refinance	Low	2	4.4%	6.2%	178	3.8%	3.9%	13.1%
	Moderate	10	22.2%	19.4%	767	16.3%	15.1%	15.2%
	Middle	17	37.8%	22.9%	1,371	29.1%	21.5%	22.2%
	Upper	11	24.4%	36.7%	1,773	37.6%	43.2%	49.5%
	Unknown	5	11.1%	14.8%	630	13.4%	16.3%	0.0%
	TOTAL	45	100.0%	100.0%	4,719	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	3.7%	0	0.0%	3.2%	13.1%
	Moderate	1	20.0%	12.8%	12	9.8%	12.4%	15.2%
	Middle	1	20.0%	23.9%	18	14.8%	22.9%	22.2%
	Upper	1	20.0%	51.2%	30	24.6%	46.8%	49.5%
	Unknown	2	40.0%	8.4%	62	50.8%	14.7%	0.0%

	TOTAL	5	100.0%	100.0%	122	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	13.1%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	15.2%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	22.2%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	49.5%
	Unknown	2	100.0%	100.0%	712	100.0%	100.0%	0.0%
	TOTAL	2	100.0%	100.0%	712	100.0%	100.0%	100.0%
HMDA TOTALS	Low	4	3.4%	5.5%	319	1.8%	3.3%	13.1%
	Moderate	21	18.1%	18.2%	1,781	10.1%	14.2%	15.2%
	Middle	33	28.4%	22.7%	3,516	19.9%	21.2%	22.2%
	Upper	40	34.5%	35.0%	8,866	50.2%	39.7%	49.5%
	Unknown	18	15.5%	18.6%	3,194	18.1%	21.6%	0.0%
	TOTAL	116	100.0%	100.0%	17,676	100.0%	100.0%	100.0%

As displayed in the preceding table, the bank’s percentage of lending to low-income borrowers (3.4 percent) is substantially below the low-income family population figure (13.1 percent), and slightly below the 2018 aggregate lending level to low-income borrowers (5.5 percent), reflecting poor performance. Conversely, the bank’s level of lending to moderate-income borrowers (18.1 percent) is above the moderate-income family population percentage (15.2 percent) and similar to aggregate lending levels of 18.2 percent, reflecting reasonable performance. When combined, the bank’s total LMI figure of 21.5 percent is similar to aggregate performance of 23.7 percent. Therefore, considering performance to both income categories, the bank’s overall distribution of HMDA loans by borrower’s profile is reasonable.

Next, small business loans were reviewed to determine the bank’s lending levels to businesses of different sizes. The following table shows the distribution of 2018 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size								
Assessment Area: St Louis Assessment Area								
Business Revenue and Loan Size		2018						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	52	100.0%	47.4%	\$9,541	100.0%	31.8%	92.4%
	Over \$1 Million/Unknown	0	0.0%	52.6%	\$0	0.0%	68.2%	7.6%
	TOTAL	52	100.0%	100.0%	\$9,541	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	27	51.9%	93.4%	\$806	8.4%	33.4%	
	\$100,001–\$250,000	15	28.8%	3.2%	\$2,265	23.7%	15.5%	
	\$250,001–\$1 Million	10	19.2%	3.4%	\$6,470	67.8%	51.1%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	52	100.0%	100.0%	\$9,541	100.0%	100.0%	

Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	27	51.9%		\$806	8.4%	
		\$100,001–\$250,000	15	28.8%		\$2,265	23.7%	
		\$250,001–1 Million	10	19.2%		\$6,470	67.8%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		TOTAL	52	100.0%		\$9,541	100.0%	

The bank’s level of lending to small businesses is excellent. The bank originated all of its small business loans (100.0 percent) to businesses with revenues of \$1 million or less. In comparison, assessment area demographics estimate that 92.4 percent of businesses in the assessment area had annual revenues of \$1 million or less, and the 2018 aggregate lending level to small businesses is 47.4 percent.

Geographic Distribution of Loans

As noted previously, the St. Louis assessment area does not contain any low-income census tracts. Therefore, the bank’s geographic distribution of loans was based primarily on performance in the area’s five moderate-income census tracts, representing 9.1 percent of all assessment area census tracts. Overall, the geographic distribution of loans reflects excellent penetration throughout these moderate-income census tracts, based on the HMDA and small business loan categories, with equal emphasis applied to both loan products. The following table displays the geographic distribution of 2018 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

Geographic Distribution of HMDA Loans Assessment Area: St. Louis Assessment Area								
Product Type	Tract Income Levels	2018						
		Count			Dollar			Owner-Occupied Units
		Bank	HMDA Aggregate	Bank	HMDA Aggregate			
		#	%	%	(\$ (000s))	\$ %	\$ %	
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	15	23.4%	8.2%	1,958	16.2%	6.0%	8.7%
	Middle	43	67.2%	42.0%	8,277	68.3%	39.8%	39.9%
	Upper	6	9.4%	49.8%	1,888	15.6%	54.1%	51.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	64	100.0%	100.0%	12,123	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	12	26.7%	6.5%	1,250	26.5%	5.3%	8.7%
	Middle	31	68.9%	41.9%	3,200	67.8%	40.8%	39.9%
	Upper	2	4.4%	51.6%	269	5.7%	53.9%	51.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	45	100.0%	100.0%	4,719	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	40.0%	5.1%	31	25.4%	4.5%	8.7%

	Middle	3	60.0%	34.4%	91	74.6%	32.9%	39.9%
	Upper	0	0.0%	60.4%	0	0.0%	62.6%	51.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	5	100.0%	100.0%	122	100.0%	100.0%	100.0%
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	12.0%	0	0.0%	14.7%	8.7%
	Middle	2	100.0%	64.0%	712	100.0%	48.1%	39.9%
	Upper	0	0.0%	24.0%	0	0.0%	37.2%	51.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	2	100.0%	100.0%	712	100.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	29	25.0%	7.6%	3,239	18.3%	6.1%	8.7%
	Middle	79	68.1%	41.7%	12,280	69.5%	40.2%	39.9%
	Upper	8	6.9%	50.7%	2,157	12.2%	53.7%	51.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	116	100.0%	100.0%	17,676	100.0%	100.0%	100.0%

Bank performance in moderate-income census tracts was significantly above comparison data and was deemed excellent. The bank's total penetration of moderate-income census tracts by number of loans (25.0 percent) is well above the percentage of owner-occupied housing units in moderate-income census tracts (8.7 percent). The bank's performance in moderate-income census tracts is also above that of other lenders based on aggregate lending data, which indicate that 7.6 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 excellent.

Second, the geographic distribution of small business loans was reviewed. The following table displays 2018 small business loan activity by geography income level compared to the location of businesses throughout this assessment area and 2018 small business aggregate data.

Geographic Distribution of Small Business Loans							
Assessment Area: St. Louis Assessment Area							
Tract Income Levels	2018						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	22	42.3%	14.8%	\$3,329	34.9%	18.9%	15.8%
Middle	27	51.9%	39.4%	\$5,170	54.2%	44.2%	38.5%
Upper	3	5.8%	45.6%	\$1,043	10.9%	36.8%	45.7%
Unknown	0	0.0%	0.2%	\$0	0.0%	0.1%	0.0%
TOTAL	52	100.0%	100.0%	\$9,541	100.0%	100.0%	100.0%

The bank's percentage of loans in moderate-income census tracts (42.3 percent) is substantially higher than the 2018 aggregate lending percentage in moderate-income census tracts (14.8 percent) and the percentage of small businesses in moderate-income census tracts (15.8 percent),

representing excellent performance. Therefore, the bank's overall geographic distribution of small business loans is excellent.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs of the St. Louis 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, qualified investments, and community development services.

During the review period, the bank extended six community development loans totaling \$1.6 million in this assessment area. All of the loans were to purchase or refinance existing debt for affordable housing properties with a majority of tenants receiving low-income housing assistance. In addition, during the review period the bank originated six community development leases in this assessment area, totaling \$4.7 million. The leases benefited local municipalities serving LMI census tracts, and a school district with a majority of students enrolled in the USDA free and reduced lunch program.

The bank also made \$1.5 million in outstanding investments that qualified for community development credit in the assessment area. The entire amount of investments was from prior period investments that remain in the bank's portfolio. The investments included two bonds issued for repair and maintenance of a county hospital and one bond issued for infrastructure improvements to area neighborhoods. Additionally, the bank made 39 donations totaling \$93,263 to several assessment area organizations that serve LMI individuals and geographies.

Finally, bank personnel used their financial expertise to perform six service activities for community development organizations in the assessment area. The service organizations included schools with a majority of students in the free and reduced lunch program, and community service organizations serving LMI individuals and geographies.

NONMETROPOLITAN STATISTICAL AREA MISSOURI

(Limited-Scope Review)

DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE PIKE COUNTY ASSESSMENT AREA

This assessment area includes the entirety of Pike County, which is located in the nonMSA portion of the state of Missouri. The bank operates one office in the assessment area and did not open or close any branches during the review period. The tables below detail key demographics relating to this assessment area.

Assessment Area Demographics by Population Income Level					
Demographic Type	Population Income Level				TOTAL
	Low-	Moderate-	Middle-	Upper-	
Family Population	721 16.5%	820 18.8%	871 20.0%	1,956 44.8%	4,368 100%
Household Population	1,317 20.1%	1,158 17.6%	1,093 16.6%	2,999 45.7%	6,567 100%

Assessment Area Demographics by Geography Income Level						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown-	
Census Tracts	0 0.0%	0 0.0%	4 80.0%	1 20.0%	0 0.0%	5 100%
Family Population	0 0.0%	0 0.0%	3,241 74.2%	1,127 25.8%	0 0.0%	4,368 100%
Household Population	0 0.0%	5,075 77.3%	1,492 22.7%	0 0.0%	0 0.0%	6,567 100%
Business Institutions	0 0.0%	529 80.9%	125 19.1%	0 0.0%	0 0.0%	654 100%

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE PIKE COUNTY ASSESSMENT AREA

LENDING TEST

The bank’s Lending Test performance in this assessment area is consistent with the bank’s Lending Test performance in the St. Louis assessment area, as detailed in the following table. For more detailed information relating to the bank’s Lending Test performance in this assessment area, see the tables in *Appendix A*.

Lending Test Criteria	Performance
Distribution of Loans by Borrower’s Profile	Exceeds
Geographic Distribution of Loans	Below
OVERALL	Consistent

COMMUNITY DEVELOPMENT TEST

The bank’s Community Development Test performance in this assessment area is below the bank’s Community Development Test performance in the St. Louis assessment area.

During the review period, the bank made one community development loan totaling \$56,577 that provided affordable rental properties to individuals receiving low-income housing assistance. Additionally, the bank made three donations totaling \$600 and provided three services to different community development organizations in the assessment area.

**LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW
ASSESSMENT AREA**

Pike County Assessment Area

Geographic Distribution of HMDA Loans Assessment Area: Pike County Assessment Area								
Product Type	Tract Income Levels	2018						
		Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Middle	10	62.5%	77.3%	744	46.2%	72.4%	72.5%
	Upper	6	37.5%	22.7%	865	53.8%	27.6%	27.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	16	100.0%	100.0%	1,609	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Middle	2	50.0%	65.7%	257	73.0%	62.3%	72.5%
	Upper	2	50.0%	34.3%	95	27.0%	37.7%	27.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	4	100.0%	100.0%	352	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Middle	2	66.7%	57.1%	40	81.6%	61.9%	72.5%
	Upper	1	33.3%	42.9%	9	18.4%	38.1%	27.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	3	100.0%	100.0%	49	100.0%	100.0%	100.0%
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Middle	14	60.9%	73.8%	1,041	51.8%	70.2%	72.5%
	Upper	9	39.1%	26.2%	969	48.2%	29.8%	27.5%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	23	100.0%	100.0%	2,010	100.0%	100.0%	100.0%

Appendix A (Continued)

Geographic Distribution of Small Business Loans							
Assessment Area: Pike County Assessment Area							
Tract Income Levels	2018						
	Count			Dollar			Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	\$ 000s	\$ %	\$ %	%
Low	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	\$0	0.0%	0.0%	0.0%
Middle	16	66.7%	72.6%	\$604	85.6%	89.9%	80.9%
Upper	8	33.3%	26.9%	\$101	14.4%	10.0%	19.1%
Unknown	0	0.0%	0.5%	\$0	0.0%	0.2%	0.0%
TOTAL	24	100.0%	100.0%	\$705	100.0%	100.0%	100.0%

Appendix A (Continued)

Borrower Distribution of HMDA Loans								
Assessment Area: Pike County Assessment Area								
Product Type	Borrower Income Levels	2018						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Home Purchase	Low	2	12.5%	5.6%	59	3.7%	2.4%	16.5%
	Moderate	4	25.0%	21.0%	211	13.1%	15.6%	18.8%
	Middle	2	12.5%	22.7%	130	8.1%	20.2%	19.9%
	Upper	6	37.5%	32.2%	1,028	63.9%	44.0%	44.8%
	Unknown	2	12.5%	18.5%	181	11.2%	17.8%	0.0%
	TOTAL	16	100.0%	100.0%	1,609	100.0%	100.0%	100.0%
Refinance	Low	0	0.0%	14.3%	0	0.0%	7.5%	16.5%
	Moderate	1	25.0%	14.3%	59	16.8%	9.7%	18.8%
	Middle	1	25.0%	18.6%	36	10.2%	17.4%	19.9%
	Upper	2	50.0%	45.7%	257	73.0%	55.8%	44.8%
	Unknown	0	0.0%	7.1%	0	0.0%	9.5%	0.0%
	TOTAL	4	100.0%	100.0%	352	100.0%	100.0%	100.0%
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	16.5%
	Moderate	2	66.7%	28.6%	19	38.8%	13.6%	18.8%
	Middle	0	0.0%	7.1%	0	0.0%	12.5%	19.9%
	Upper	1	33.3%	50.0%	30	61.2%	54.1%	44.8%
	Unknown	0	0.0%	14.3%	0	0.0%	19.8%	0.0%
	TOTAL	3	100.0%	100.0%	49	100.0%	100.0%	100.0%
HMDA TOTALS	Low	2	8.7%	7.2%	59	2.9%	3.4%	16.5%
	Moderate	7	30.4%	19.9%	289	14.4%	14.5%	18.8%
	Middle	3	13.0%	20.9%	166	8.3%	19.3%	19.9%
	Upper	9	39.1%	35.5%	1,315	65.4%	46.3%	44.8%
	Unknown	2	8.7%	16.5%	181	9.0%	16.4%	0.0%
	TOTAL	23	100.0%	100.0%	2,010	100.0%	100.0%	100.0%

Appendix A (Continued)

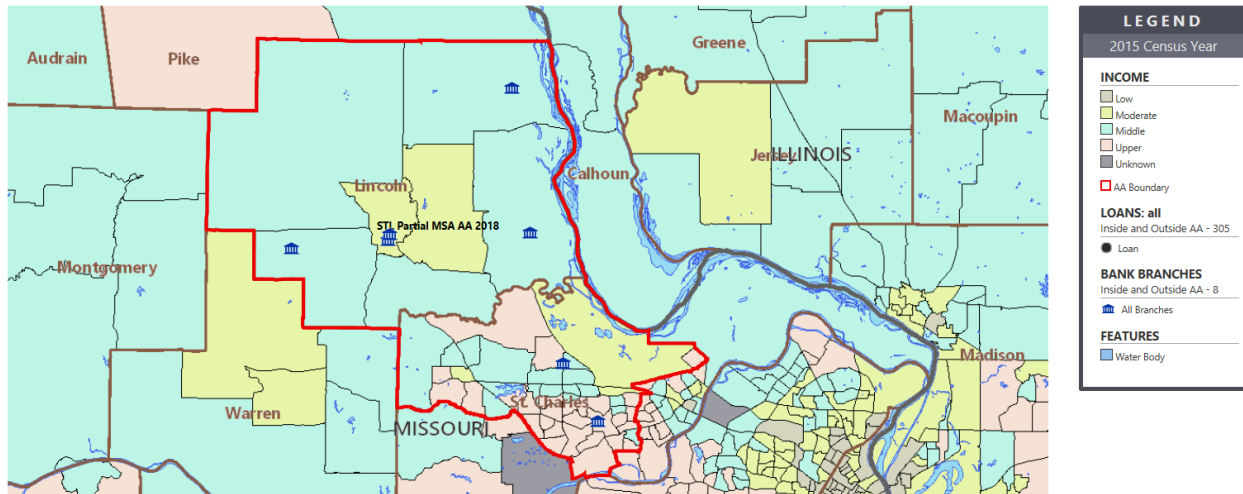
Small Business Loans by Revenue and Loan Size								
Assessment Area: Pike County Assessment Area								
Business Revenue and Loan Size		2018						
		Count			Dollars			Total Businesses
		Bank		Aggregate	Bank		Aggregate	
		#	%	%	\$ (000s)	\$ %	\$ %	%
Business Revenue	\$1 Million or Less	24	100.0%	46.7%	\$705	100.0%	22.9%	88.2%
	Over \$1 Million/Unknown	0	0.0%	53.3%	\$0	0.0%	77.1%	11.8%
	TOTAL	24	100.0%	100.0%	\$463	100.0%	100.0%	100.0%
Loan Size	\$100,000 or Less	22	91.7%	96.4%	\$463	65.7%	45.8%	
	\$100,001–\$250,000	2	8.3%	1.5%	\$242	34.2%	8.1%	
	\$250,001–\$1 Million	0	0.0%	2.0%	\$0	0.0%	46.0%	
	Over \$1 Million	0	0.0%	0.0%	\$0	0.0%	0.0%	
	TOTAL	24	100.0%	100.0%	\$705	100.0%	100.0%	
Loan Size	Revenue \$1 Million or Less	\$100,000 or Less	22	91.7%		\$463	65.7%	
		\$100,001–\$250,000	2	8.3%		\$242	34.3%	
		\$250,001–\$1 Million	0	0.0%		\$0	0.0%	
		Over \$1 Million	0	0.0%		\$0	0.0%	
		TOTAL	24	100.0%		\$705	100.0%	

ASSESSMENT AREA MAPS

Lincoln-St. Charles County Assessment Area

Peoples BTC - Troy, MO 2020

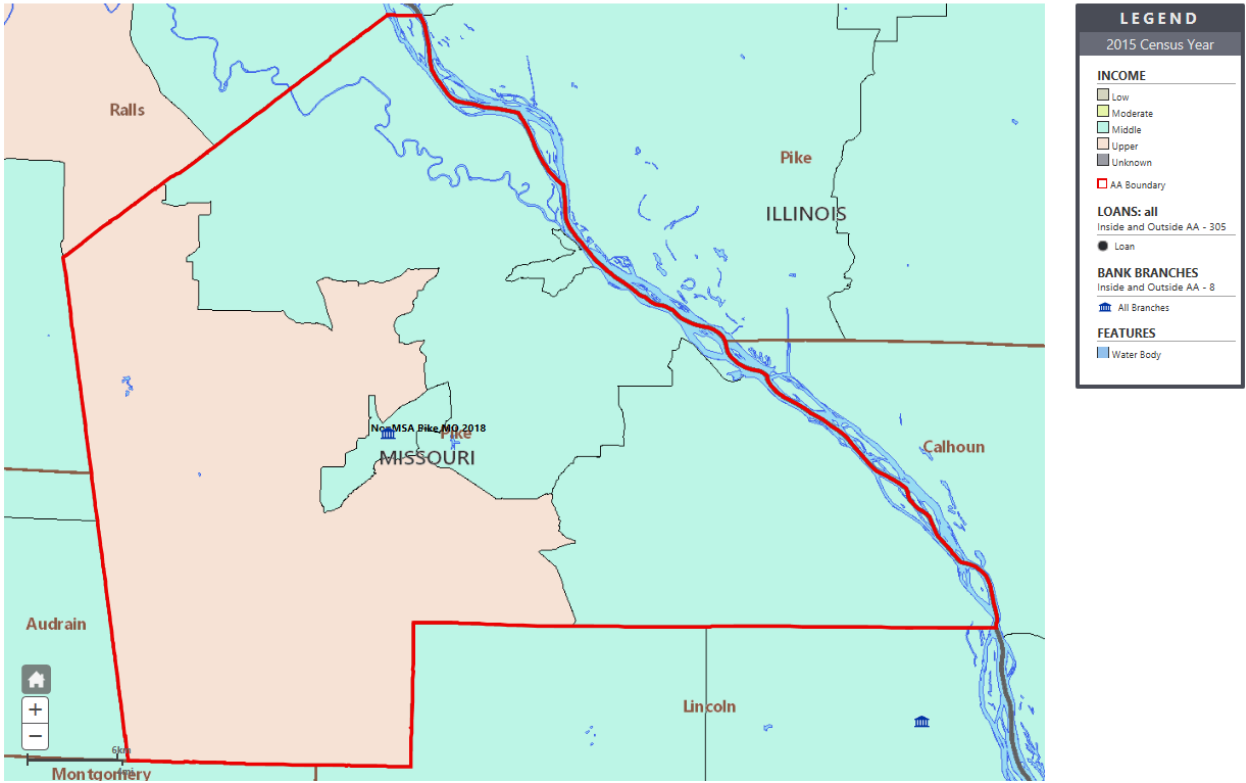
STL MO Partial MSA 2018



NonMSA Missouri Pike County Assessment Area

Peoples BTC - Troy, MO 2020

Pike County NonMSA MO 2018



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- and moderate-income (LMI) individuals; (2) community services targeted to LMI 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 LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

Demographics: The statistical characteristics of human populations (e.g., age, race, sex, 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).

Appendix C (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.

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.