PUBLIC DISCLOSURE

February 11, 2019

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.**

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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		
High Satisfactory		X	X
Low Satisfactory			
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 geographic distribution of loans reflects excellent penetration throughout the assessment area.
- The distribution of borrower's income/revenue profile reflects good penetration among customers of different income levels and businesses of different sizes.
- The bank is a leader in making community development loans.
- The bank's lending levels reflect excellent responsiveness to the credit needs of its assessment area.
- A high percentage of loans are made in the bank's assessment area.
- The bank makes a significant level of qualified community development investments and grants and is occasionally in the leadership position.
- The bank exhibits good responsiveness to credit and community development needs.
- Delivery systems are readily accessible to geographies and individuals of different income levels.
- The bank provides a relatively high level of 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 19 retail offices, including the main office, and two loan production offices. All of the bank's offices are located in the Missouri portion of the St. Louis, Missouri-Illinois Metropolitan Statistical Area (St. Louis MSA). Since the previous examination, the bank has closed five full-service branches and opened three full-service branches. The majority of branch closures were branches acquired with the purchase of Bremen Bank & Trust Company in July 2016.

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, 2018, the bank reported total assets of $1.9 billion, which represents an increase in assets of 5.6 percent since the previous evaluation. The bank also reported total loans of $1.4 billion and total deposits of $1.4 billion. The following table displays the bank's loan portfolio composition by credit category.

Distribution of Total Loans as of December 31, 2018		
Credit Category	**Amounts ($000s)**	**Percentage of Total Loans**
Construction and Development	$115,271	8.1%
Commercial Real Estate	$516,665	36.3%
Multifamily Residential	$80,961	5.7%
1–4 Family Residential	$426,859	30.0%
Commercial and Industrial	$233,303	16.4%
Loans to Individuals	$35,698	2.5%
Total Other Loans	$13,322	0.9%
TOTAL	**$1,422,079**	**100%**

Based on the dollar volume of loans outstanding, the most significant loan category is commercial real estate, which accounts for 36.3 percent of all loans. Other significant categories include 1–4 family residential real estate and commercial and industrial loans, which represent 30.0 percent and 16.4 percent of the bank's loan portfolio, respectively.

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

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) large bank procedures, which entail three performance tests: Lending, Investment, and Service.

Lending Test

Under the Lending Test, the bank's performance is evaluated using the following criteria, as applicable.

Lending Test Performance Criterion	Products Selected for Review	Time Period
Level of Lending Activity	• Loans reported under the Home Mortgage Disclosure Act (HMDA) • Small business loans reported under the CRA	January 1, 2016 – December 31, 2017
Assessment Area Concentration		
Geographic Distribution of Loans		
Loan Distribution by Borrower's Profile		
Community Development Lending Activities		January 30, 2017 – February 10, 2019
Product Innovation		

Due to similar volumes and the bank's strategic focus on both HMDA and small business loans, these two products were given equal weight. Additionally, while the Lending Test analysis encompasses lending activity from both 2016 and 2017, the body of this evaluation primarily details bank performance based on 2017 lending activity, noting significant divergences in performance between the two years, as applicable. See *Appendix C* for detailed performance figures based on 2016 lending activity.

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, assessment area demographics are based on 2015 American Community Survey data, while business demographics are based on 2017 Dun & Bradstreet data.[1] When analyzing bank performance, greater emphasis is placed on aggregate lending data, which are updated annually and are expected to describe many factors impacting lenders and predict more relevant comparisons.

Investment Test

All community development investments, including grants and donations, made since the previous CRA evaluation 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 considered. Qualified investments and grants were evaluated to determine the bank's overall level of activity, use of

[1] All demographic data for 2016 HMDA analyses are based on 2010 U.S. Census data. All business demographic data for 2016 small business loan analyses are based on 2016 Dun & Bradstreet data.

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 were conducted with knowledgeable individuals in the bank's assessment area. The interviews were used to ascertain specific credit needs, opportunities, and local market conditions. Key details from the 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 moderate-, 134 middle-, 142 upper-, and 4 unknown-income census tracts.

General Demographics

The assessment area has a total population of 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 73 Federal Deposit Insurance Corporation (FDIC)-insured financial institutions that maintain 560 locations. According to the FDIC's Deposit Market Share Report as of June 30, 2018, Midwest BankCentre ranked tenth with a 2.0 percent deposit market share in the assessment area.

Considering the demographics of this assessment area cover a wide metropolitan area and a diverse population, credit needs in the area are significant and varied. Among these credit needs are home mortgage and business-related lending products. Furthermore, since the St. Louis MSA is an area with significant 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 assessment area's distribution of 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 in the preceding table, 34.3 percent of the census tracts in the assessment area are low- and moderate-income (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, 22.8 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.

In 2015, 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 2016 and 2017 median family incomes for the St. Louis MSA to be $70,000 and $74,300, respectively. 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%	16.7%	19.6%	42.8%	**100%**
Missouri	327,815	275,076	319,230	607,885	**1,530,006**
	21.4%	18.0%	20.9%	39.7%	**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, 37.6 percent, are considered LMI. This LMI family percentage is slightly below the LMI percentage for the state of Missouri (39.4 percent). 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 is comprised 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 58.3 percent, and 21.7 percent of St. Louis City families live below the poverty level. Conversely, in St. Charles County only 27.2 percent of families are considered LMI, with 4.6 percent of families living below the poverty level.

Housing Demographics

The following table shows that overall, homeownership in the assessment area is relatively less affordable 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
Missouri	$138,400	34.8%	$746

As displayed in the table above, housing values and median gross rents are higher when compared to the state of Missouri. Therefore, the assessment area is slightly less affordable when compared to the state of Missouri overall. The median housing value in St. Louis City ($120,400) is well below the state of Missouri; however, median housing values in St. Charles County ($188,200), St. Louis County ($173,400), and Jefferson County ($149,900) are all well above the state. The median gross rent in St. Louis City ($748) is comparable to the state of Missouri but is higher in the remaining three counties comprising the assessment area, most notably in St. Charles County where the median gross rent is $931.

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 59,014 business establishments are operating in the assessment area with 988,077 paid employees. By percentage of employees, the largest job category in the assessment area is health care and social assistance (15.8 percent), followed by retail trade (11.0 percent), and accommodation and food services (10.0 percent). Unemployment rates for the assessment area were 4.3 percent in 2016 and 3.5 percent in 2017, which were lower than the 2016 and 2017 state of Missouri rates of 4.6 percent and 3.8 percent, respectively.

Community Contact Information

Two community contact interviews were completed as part of this evaluation. One interview was with an individual working in an affordable housing role, and the second interview was with an individual working in a small business assistance role. The interviewees categorized the local economy as both growing and stabilizing due to a rise in homeownership and a flourishing entrepreneurial ecosystem. Both contacts stated that Midwest BankCentre is highly engaged in the community.

The contact working in an affordable housing role indicated that of all the counties in the St. Louis MSA, St. Charles County has experienced the most profound growth within the last five years. The contact attributed this growth to the relocation of several large companies to the county, which resulted in job creation. As a result, the real estate market and retail commercial development are flourishing. The contact stated that the thriving economy in the area is a challenge for LMI individuals, because housing prices in St. Charles County are among the most expensive in the St. Louis MSA. In addition, the contact stated that banking services, including automated teller machines (ATMs), are accessible and that the overwhelming majority of clients are banked. However, the contact expressed a need for financial institutions to partner with local organizations to develop innovative products and fund programs related to homeownership counseling to help LMI individuals gain access to affordable housing. The contact also stated that home repair (improvement) lending products are a need in the assessment 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 parts of St. Louis County, are not benefiting as much as other communities. The contact stated that these areas continue to lack higher education among their residents and have less access to living wage jobs, because these jobs are either limited or do not exist. Additionally, the contact stated that small business development in LMI communities is stagnant due to multiple barriers, such as lack of access to capital and unaffordable workspaces. The contact expressed a need for more coordinated efforts among small business development organizations serving LMI communities. Furthermore, although the personal banking environment is improving, the contact stated that there is a need for banks to conduct additional outreach and education efforts among entrepreneurs and small business owners, especially in LMI 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 a high 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 good dispersion among customers of different income levels and businesses of different sizes. Additionally, the bank is a leader in making community development loans. Finally, the bank makes limited 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 2016 and 2017 lending volumes in the assessment area by number and dollar volume.

Summary of Lending Activity
January 1, 2016 through December 31, 2017

Loan Type	#	%	$(000s)	%
Home Improvement	231	7.2%	$26,249	3.7%
Home Purchase	621	19.2%	$141,859	19.8%
Multifamily Housing	31	1.0%	$33,690	4.7%
Refinancing	479	14.8%	$135,500	18.9%
TOTAL HMDA	**1,362**	**42.2%**	**$337,298**	**47.1%**
Small Business	**1,868**	**57.8%**	**$378,133**	**52.9%**
TOTAL LOANS	**3,230**	**100%**	**$715,431**	**100%**

The bank ranked 32nd in total number of HMDA loan originations and purchases out of 514 lenders in 2016 and 529 lenders in 2017. For total number of CRA loan originations and purchases the bank ranked 17th out of 142 in 2016 and 16th out of 152 in 2017. 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 credit needs of the assessment area.

Assessment Area Concentration

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 Areas January 1, 2016 through December 31, 2017						
Loan Type	**Inside Assessment Areas**		**Outside Assessment Areas**		**TOTAL**	
HMDA	1,362	90.0%	151	10.0%	**1,513**	**100%**
	$337,298	85.6%	$56,616	14.4%	**$393,914**	**100%**
Small Business	1,868	92.5%	151	7.5%	**2,019**	**100%**
	$378,133	89.2%	$45,599	10.8%	**$423,732**	**100%**
TOTAL LOANS	**3,230**	**91.4%**	**302**	**8.6%**	**3,532**	**100%**
	$715,431	**87.5%**	**$102,215**	**12.5%**	**$817,646**	**100%**

As shown, the bank's origination of loans inside its assessment area by both number and dollar (91.4 percent and 87.5 percent, respectively) represent a high percentage.

Geographic Distribution of Loans

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.

The following table displays the geographic distribution of 2017 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2017 through December 31, 2017												
	Geography Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Home Purchase	19	5.8%	63	19.2%	93	28.4%	149	45.4%	4	1.2%	**328**	**100%**
Refinance	5	2.8%	26	14.5%	55	30.7%	93	52.0%	0	0.0%	**179**	**100%**
Home Improvement	32	32.7%	42	42.9%	14	14.3%	10	10.2%	0	0.0%	**98**	**100%**
Multifamily	1	5.0%	6	30.0%	8	40.0%	5	25.0%	0	0.0%	**20**	**100%**
TOTAL HMDA	**57**	**9.1%**	**137**	**21.9%**	**170**	**27.2%**	**257**	**41.1%**	**4**	**0.6%**	**625**	**100%**
Owner-Occupied Housing	4.8%		17.3%		35.9%		41.8%		0.2%		**100%**	
2017 HMDA Aggregate	2.0%		13.6%		38.3%		45.9%		0.2%		**100%**	

As shown, the bank's 9.1 percent of 2017 HMDA loans in low-income census tracts is above both the owner-occupied housing and aggregate lending percentages (4.8 percent and 2.0 percent, respectively). This reflects excellent performance in low-income tracts. The bank's 21.9 percent of 2017 HMDA loans in moderate-income census tracts is also above the 17.3 percent of owner-occupied housing in those tracts and aggregate performance of 13.6 percent. This reflects excellent performance in moderate-income tracts. Combined performance in LMI census tracts for 2017 HMDA loans (31.0 percent) exceeds the owner-occupied housing in LMI tracts (22.1 percent) and aggregate performance (15.6 percent). This reflects excellent performance overall.

The following table displays the geographic distribution of 2017 small business loans, along with Dun & Bradstreet data and CRA aggregate performance for each geography income level.

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2017 through December 31, 2017												
	Geography Income Level										**TOTAL**	
	Low-		**Moderate-**		**Middle-**		**Upper-**		**Unknown**			
Small Business Loans	80	9.4%	212	25.0%	250	29.5%	286	33.8%	19	2.2%	**847**	**100%**
Business Institutions	5.8%		17.0%		31.1%		45.0%		1.1%		**100%**	
2017 Small Business Aggregate	5.0%		16.8%		30.3%		46.3%		1.6%		**100%**	

As shown, the bank's performance of 2017 small business loans in low-income census tracts (9.4 percent) is above the percentage of business institutions in those tracts and aggregate CRA lending performance (5.8 percent and 5.0 percent, respectively). This reflects excellent performance in low-income tracts. Performance in moderate-income geographies is also excellent. The bank's percentage of 2017 small business loans in moderate-income tracts (25.0 percent) is well above the percentage of business institutions in those tracts (17.0 percent) and aggregate performance (16.8 percent).

The bank's combined performance in LMI census tracts for 2017 small business loans (34.4 percent) is above the percentage of business institutions in those tracts (22.8 percent). Additionally, the bank's combined performance is above aggregate performance of 21.8 percent. This represents excellent performance for small business lending in LMI tracts.

Lastly, while the bank did not originate loans in all assessment area census tracts, the bank penetrated 83.3 percent of all tracts and 80.8 percent of LMI census tracts in the assessment area. As a result, there were no conspicuous lending gaps throughout the assessment area.

Loan Distribution by Borrower's Profile

Performance from both loan categories was reviewed and demonstrated that the distribution of loans by borrower's profile reflects good penetration among customers of different income levels and businesses of different revenue sizes. Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC. The following table shows the distribution of 2017 HMDA loans by borrower income level compared to family population demographics and 2017 aggregate performance.

Distribution of Loans Inside Assessment Area by Borrower Income January 1, 2017 through December 31, 2017												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	43	13.1%	49	14.9%	38	11.6%	121	36.9%	77	23.5%	**328**	**100%**
Refinance	10	5.6%	31	17.3%	22	12.3%	95	53.1%	21	11.7%	**179**	**100%**
Home Improvement	34	34.7%	28	28.6%	13	13.3%	16	16.3%	7	7.1%	**98**	**100%**
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	20	100.0%	**20**	**100%**
TOTAL HMDA	**87**	**13.9%**	**108**	**17.3%**	**73**	**11.7%**	**232**	**37.1%**	**125**	**20.0%**	**625**	**100%**
Family Population	20.9%		16.7%		19.6%		42.8%		0.0%		**100%**	
2017 HMDA Aggregate	7.8%		17.4%		19.8%		34.1%		20.9%		**100%**	

As displayed in the preceding table, the bank's 13.9 percent of lending to low-income borrowers is below the low-income family population figure of 20.9 percent. However, bank performance is well above aggregate performance of 7.8 percent, indicating good performance to low-income borrowers.

The bank's 17.3 percent of loans to moderate-income borrowers is above the family population of 16.7 percent and in line with aggregate performance of 17.4 percent. As a result, HMDA performance to moderate-income borrowers is adequate. Although combined performance to LMI borrowers for 2017 HMDA loans (31.2 percent) is below the family population (37.6 percent), bank performance is above the aggregate performance (25.2 percent), representing good performance overall.

The following table shows the distribution of 2017 small business loans by loan amount and business revenue size compared to the 2017 Dun & Bradstreet and CRA aggregate data.

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2017 through December 31, 2017								
Gross Revenue	Loan Amounts in $000s						TOTAL	
	≤$100		>$100 and ≤$250		>$250 and ≤$1,000			
$1 Million or Less	282	33.3%	143	16.9%	73	8.6%	**498**	**58.8%**
Greater than $1 Million/Unknown	116	13.7%	90	10.6%	143	16.9%	**349**	**41.2%**
TOTAL	**398**	**47.0%**	**233**	**27.5%**	**216**	**25.5%**	**847**	**100%**
Dun & Bradstreet Businesses ≤ $1MM							**86.8%**	
Small Business Aggregate ≤ $1MM							**48.2%**	

The bank's performance in this lending category is adequate. As shown, 58.8 percent of the bank's small business loans were originated to businesses with revenues of $1 million or less. This is above the CRA aggregate percentage of 48.2 percent and below the Dun & Bradstreet estimate of small businesses in the area (86.8 percent).

Community Development Lending Activities

Midwest BankCentre is a leader in making community development loans that benefit its assessment area. During the review period, the bank originated or renewed 33 qualified community development loans totaling $52.6 million. Of these loans, 19 were targeted toward affordable housing, 6 toward revitalization/stabilization, 5 toward community services, and 3 toward economic development. Affordable housing was the largest community development lending activity by dollar amount, with $19.1 million, followed by revitalization/stabilization ($14.6 million), community services ($11.7 million), and economic development ($7.2 million). The amount of community development lending has increased both in number and amount since the bank's previous CRA examination, when the bank's performance was considered to be at a relatively high level.

In addition to meeting the community development lending needs of its own assessment area, the bank made three loans totaling $21.9 million outside its assessment area. Two of these loans were to refinance medical buildings located in LMI geographies; the medical facilities help to revitalize/stabilize area communities by serving LMI individuals throughout the broader region. The other loan was for the purpose of participating in low-income housing tax credits that benefited LMI individuals statewide.

Product Innovation

The bank makes limited 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.

The bank's Affordable Home Improvement Loan (AHIL) is targeted to assessment area borrowers in LMI census tracts who would like to improve their dwelling or property. The volume for the product has decreased since the bank's previous examination. During the review period, 108 AHILs were originated at a total amount of $506,330. At the previous examination, the bank originated 156 AHILs for a total amount of $708,850.

Additionally, the bank offers a credit booster loan product, which was 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. The volume for the product has increased since the bank's previous examination. During the review period, 495 credit booster loans were originated at a total of $148,828. At the previous examination, the bank originated 317 of these loans at a total of $110,678.

The bank also offers a 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. During the review period, only two of these accounts were opened, totaling $1,541.33.

INVESTMENT TEST

Midwest BankCentre's Investment Test is rated high satisfactory. The bank makes a significant level of qualified community development investments and grants within its assessment area. During the review period, the bank had 24 investments and 84 donations totaling $18.1 million in the assessment area. Of that total, $6.7 million were current period investments, $11.1 million were prior period investments still outstanding, and $270,030 were in donations to various community development organizations. Current period investments represent improved performance from the bank's previous examination.

The bank also exhibits good responsiveness to credit and community development needs. The following investments and donations were notable for their responsiveness to the assessment area:

- Three current period investments totaling $4.9 million and four prior period investments with current balances totaling $1.6 million for improvements to schools in the assessment area primarily serving students who qualify for free or reduced lunch.

- One current period investment totaling $250,000 and four prior period investments totaling $367,265 in tax credits for affordable housing in the assessment area.

- Seven prior-period investments in mortgage-backed securities (MBS) totaling $6.0 million for qualifying community development loan pools targeting the assessment area.

In addition to meeting the community development investment needs of its own assessment area, the bank made 2 new community development investments totaling $2.6 million and had 19 prior period investments totaling $34.8 million outside its assessment area. The majority of these investments were targeted to small business investment funds and MBS outside of the assessment area.

SERVICE TEST

Midwest BankCentre's Service Test is rated high satisfactory. 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 accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. Business hours and services do not vary in a way that inconveniences certain portions of the assessment area, particularly LMI geographies and LMI individuals. Lastly, the bank provides a relatively high level of community development services in the assessment area.

Accessibility of Delivery Systems

Midwest BankCentre operates 19 offices in the assessment area, including its main office. Each of these offices contains an ATM that is cash withdrawal-only. 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	3	8	5	3	0	**19**
	15.8%	42.1%	26.3%	15.8%	0.0%	**100%**
Census Tracts	13.4%	20.9%	31.5%	33.3%	0.9%	**100%**
Household Population	8.8%	20.1%	34.9%	35.8%	0.4%	**100%**

As shown in the previous table, the percentage of branches located in LMI census tracts exceeds the demographic comparison. Additionally, the number and percentage of branches located in LMI geographies has increased since the previous examination. 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 not adversely affected the accessibility of delivery systems, particularly to LMI geographies and LMI individuals. During the review period, the bank opened three new branches and closed five branches (two existing and three recently acquired). Of the three new branches opened, one was located in a low-income census tract, one was in a middle-income census tract, and one was in an upper-income census tract. Of the five branches closed, four were in upper-income census tracts, and one was in a low-income census tract.

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 20,000 locations throughout the assessment area and in a nationwide network.

Community Development Services

The bank provides a relatively high level of community development services in its assessment area. During the review period, bank employees and officers provided 136 services across 35 different community development organizations in the assessment area. A significant number of bank employees are active in providing ongoing financial expertise 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 revitalizing 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 TABLES

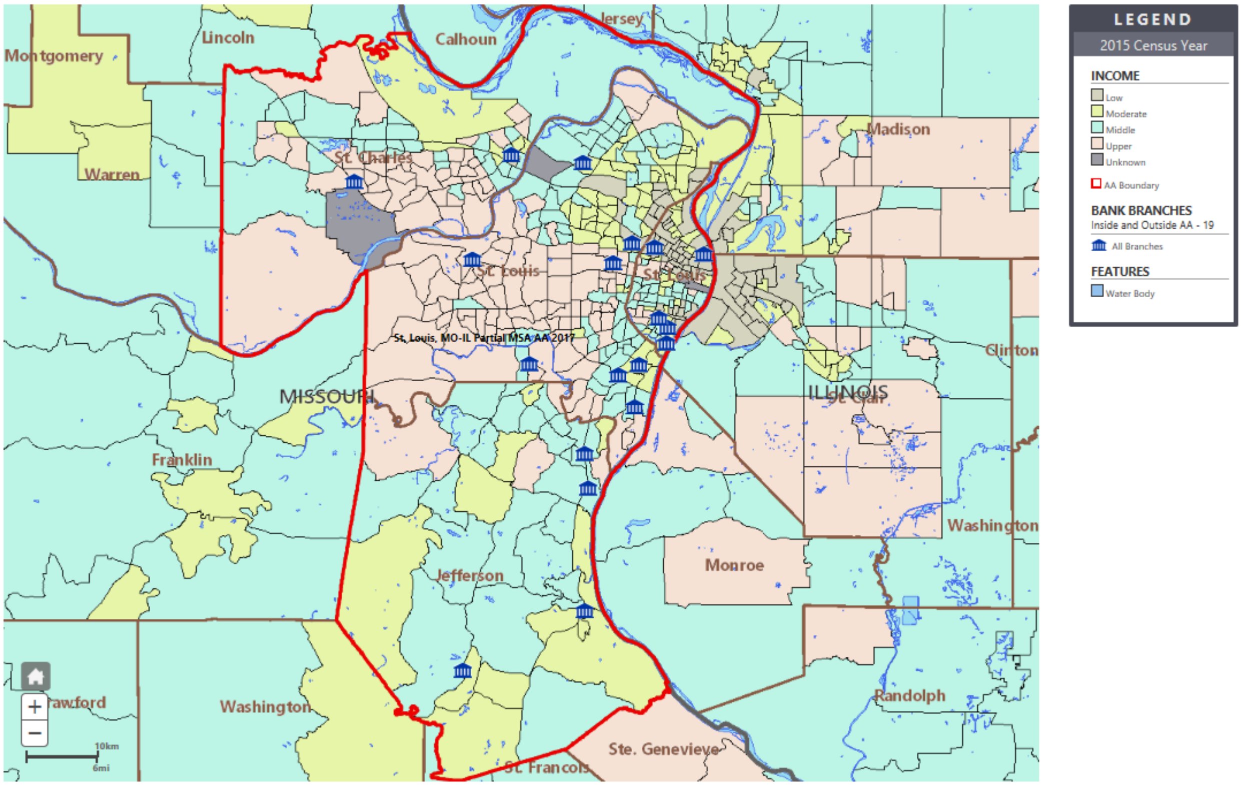
SCOPE OF EXAMINATION		
TIME PERIOD REVIEWED	January 1, 2016 – December 31, 2017 for HMDA and small business lending. January 30, 2017 – February 10, 2019 for community development loan, investment, and service activities	
FINANCIAL INSTITUTION Midwest BankCentre St. Louis, Missouri		**PRODUCTS REVIEWED** HMDA Small Business
AFFILIATE(S) N/A	**AFFILIATE RELATIONSHIP** N/A	**PRODUCTS REVIEWED** N/A

Assessment Area	State	# of Offices	Deposits ($000s) (as of June 30, 2018)	Branches Visited	CRA Review Procedures
St. Louis City, St. Louis, St. Charles, and Jefferson Counties (partial St. Louis MSA)	Missouri	19	$1,383,654	0	Full Scope

Appendix B

Assessment Area Map

Midwest BankCentre - St. Louis, MO 2019
St. Louis, MO-IL Partial MSA AA



2017 PE Map

Appendix C

2016 LENDING PERFORMANCE TABLES

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2016 through December 31, 2016												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	15	5.1%	44	15.0%	97	33.1%	137	46.8%	0	0.0%	**293**	**100%**
Refinance	2	0.7%	24	8.0%	88	29.3%	186	62.0%	0	0.0%	**300**	**100%**
Home Improvement	27	20.3%	55	41.4%	16	12.0%	35	26.3%	0	0.0%	**133**	**100%**
Multifamily	2	18.2%	1	9.1%	3	27.3%	5	45.5%	0	0.0%	**11**	**100%**
TOTAL HMDA	**46**	**6.2%**	**124**	**16.8%**	**204**	**27.7%**	**363**	**49.3%**	**0**	**0.0%**	**737**	**100%**
Owner Occupied Housing	4.4%		16.0%		39.1%		40.4%		0.0%		**100%**	
2016 HMDA Aggregate	1.6%		9.5%		38.6%		50.3%		0.0%		**100%**	

Distribution of Loans Inside Assessment Area by Income Level of Geography January 1, 2016 through December 31, 2016												
	Geography Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Small Business Loans	143	14.0%	254	24.9%	313	30.7%	310	30.4%	1	0.1%	**1,021**	**100%**
Business Institutions	5.9%		15.0%		33.1%		45.9%		0.1%		**100%**	
2016 Small Business Aggregate	4.8%		14.3%		31.3%		48.8%		0.7%		**100%**	

Distribution of Loans Inside Assessment Area by Borrower Income January 1, 2016 through December 31, 2016												
	Borrower Income Level										TOTAL	
	Low-		Moderate-		Middle-		Upper-		Unknown			
Home Purchase	21	7.2%	51	17.4%	38	13.0%	131	44.7%	52	17.7%	**293**	**100%**
Refinance	13	4.3%	30	10.0%	46	15.3%	183	61.0%	28	9.3%	**300**	**100%**
Home Improvement	35	26.3%	39	29.3%	16	12.0%	37	27.8%	6	4.5%	**133**	**100%**
Multifamily	0	0.0%	0	0.0%	0	0.0%	0	0.0%	11	100.0%	**11**	**100%**
TOTAL HMDA	**69**	**9.4%**	**120**	**16.3%**	**100**	**13.6%**	**351**	**47.6%**	**97**	**13.2%**	**737**	**100%**
Family Population	20.0%		16.5%		20.5%		43.0%		0.0%		**100%**	
2016 HMDA Aggregate	5.5%		15.0%		18.0%		38.2%		23.4%		**100%**	

Distribution of Loans Inside Assessment Area by Business Revenue January 1, 2016 through December 31, 2016								
Gross Revenue	Loan Amounts in $000s						TOTAL	
	<u><</u>$100		>$100 and <u><</u>$250		>$250 and <u><</u>$1,000			
$1 Million or Less	374	36.6%	143	14.0%	83	8.1%	**600**	**58.8%**
Greater than $1 Million/Unknown	169	16.6%	87	8.5%	165	16.2%	**421**	**41.2%**
TOTAL	**543**	**53.2%**	**230**	**22.5%**	**248**	**24.3%**	**1,021**	**100%**
Dun & Bradstreet Businesses ≤ $1MM							**88.1%**	
Small Business Aggregate ≤ $1MM							**41.6%**	

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include nonrelatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into "male householder" (a family with a male householder and no wife present) or "female householder" (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders who do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

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

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

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

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

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

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

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

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

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

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

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

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

Performance evaluation: 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.