# PUBLIC DISCLOSURE

**October 1, 2018**

# COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Central Trust Bank**
**RSSD #853952**

**238 Madison Street**
**Jefferson City, Missouri 65101**

**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 following table indicates the performance level of The Central Trust Bank with respect to the Lending, Investment, and Service Tests.

| THE CENTRAL TRUST BANK | | | |
|---|---|---|---|
| **Performance Levels** | **Performance Tests** | | |
| | **Lending Test*** | **Investment Test** | **Service Test** |
| Outstanding | | | |
| High Satisfactory | X | 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 overall ratings.

The major factors supporting the institution's rating include:

- The bank's lending levels reflect excellent responsiveness to the credit needs of its assessment areas.
- An adequate percentage of the bank's loans were made in the bank's assessment areas.
- The distribution of borrowers' income/revenue profile reflects good penetration among individuals of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects adequate dispersion throughout the assessment areas.
- The bank is a leader in making community development loans.
- The bank makes extensive use of innovative and/or flexible lending practices in serving the credit needs of its assessment areas.
- 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, and services do not vary in a way that inconveniences its assessment areas, particularly low- and moderate-income (LMI) geographies and/or LMI individuals.

- The bank provides a relatively high level of community development services.

# INSTITUTION

## DESCRIPTION OF INSTITUTION

The Central Trust Bank is a full-service retail bank offering both consumer and commercial loan and deposit products. The bank is wholly owned by Central Bancompany, Inc., a multibank holding company. Both the bank and its holding company are headquartered in Jefferson City, Missouri. The bank is affiliated with 12 other Central Bancompany, Inc., subsidiary banks that are headquartered throughout Missouri and Oklahoma. Further, the bank has six subsidiaries, two of which are credit granting: Mortgage Central, LLC, and Online Central, Inc. Loans originated by these two subsidiaries are sold on the secondary market.

The bank's branch network consists of 13 offices (including the main office), 12 of which are full-service. The bank operates at least one automated teller machine (ATM) at each office and eight standalone ATMs, most of which are cash-dispensing only. During the review period, the bank acquired another institution, adding one branch office in New Bloomfield, Missouri. No branches were closed during the review period. In addition to retail branch and ATM locations, the bank operates two loan production offices: one in Jefferson City and one in Colorado Springs, Colorado. Based on this branch network and other delivery systems, including extended hours, weekend banking hours, and online banking capabilities, the bank is well positioned to deliver financial services to the entirety of the Jefferson City assessment area. With regard to the nonmetropolitan statistical area (nonMSA) Missouri assessment area, Central Bancompany, Inc., as a whole is able to serve this market given the presence of a Central Trust Bank affiliate. However, the limited branching structure of Central Trust Bank in nonMSA Missouri limits that bank's ability to deliver financial services outside the areas near its sole branch in that assessment area.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers. As such, the bank appears capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of June 30, 2018, the bank reported total assets of $2.3 billion. As of the same date, loans and leases outstanding were $1.0 billion (44.6 percent of total assets), and deposits totaled $1.5 billion. The bank's loan portfolio composition by credit category is displayed in the following table:

| Distribution of Total Loans as of June 30, 2018 | | |
|---|---|---|
| **Credit Category** | **Amount ($000s)** | **Percentage of Total Loans** |
| Construction and Development | $84,399 | 8.1% |
| Commercial Real Estate (CRE) | $220,890 | 21.2% |
| Multifamily Residential | $39,834 | 3.8% |
| 1–4 Family Residential | $244,502 | 23.5% |
| Farmland | $32,413 | 3.1% |
| Farm Loans | $8,909 | 0.9% |
| Commercial and Industrial | $135,949 | 13.0% |
| Loans to Individuals | $190,708 | 18.3% |
| Total Other Loans | $84,966 | 8.1% |
| Less: Unearned Income | ($691) | (0.1%) |
| **TOTAL** | **$1,041,879** | **100%** |

As indicated by the preceding table, the bank's primary lending focus includes loans secured by 1–4 family residential properties (23.5 percent), CRE (21.2 percent), and loans to individuals (18.3 percent). Additionally, both the bank and its two credit-granting subsidiaries originate and subsequently sell a significant volume of loans related to residential real estate in the secondary market. As these loans are sold shortly after origination, the majority of this activity would not be captured in the table.

The bank received a Satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on July 18, 2016.

## 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: the Lending, Investment, and Service Test. Bank performance under these tests is rated at the institution level. The bank's primary assessment area includes a three-county portion of the Jefferson City, Missouri MSA, comprised of Cole, Callaway, and Moniteau Counties. Its second assessment area includes the entirety of Miller County in nonMSA Missouri. The two assessment areas are contiguous and located in central Missouri.

For each assessment area, the following table details the number of branch offices, breakdown of deposits, and the CRA review procedures completed as part of this evaluation. Deposit information in the following table, and throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2018.

| Assessment Area | Offices | | Deposits As of June 30, 2018 | | Review Procedures |
|---|---|---|---|---|---|
| | # | % | $ (000s) | % | |
| Jefferson City | 12 | 92.3% | $1,501,602 | 96.9% | Full Scope |
| NonMSA Missouri | 1 | 7.7% | $25,657 | 1.7% | Limited Scope |
| **OVERALL** | **13** | **100%** | **$1,527,259** | **100%** | **1 Full Scope** |

The bank's overall institution rating was determined by performance in the Jefferson City assessment area, as this assessment area contains a significant majority of the bank offices and deposits as shown in the table above. Due to its limited scope, branch presence, and percentage of deposits, conclusions for nonMSA Missouri did not influence overall performance.

## Lending Test

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

| Lending Test Performance Criterion | Products Selected for Review | Time Period |
|---|---|---|
| Level of Lending Activity | • Home mortgage loans reported under the Home Mortgage Disclosure Act (HMDA)[1]<br>• Small business loans reported under the CRA<br>• Consumer motor vehicle loans* | January 1, 2016 – December 31, 2017 |
| Assessment Area Concentration | | |
| Loan Distribution by Borrower's Profile | | |
| Geographic Distribution of Loans | | |
| Community Development Lending Activities | | July 18, 2016 – September 30, 2018 |
| Product Innovation[2] | | |

*Consumer motor vehicle loans were sampled in accordance with CA Letter 01-8, "CRA Sampling Procedures."

As noted above, HMDA, small business, and consumer motor vehicle lending were selected for review, as loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Based on the bank's strategic focus on residential real estate and commercial lending, along with needs noted by community contacts, HMDA and small business loans were given more weight than consumer motor vehicle loans.

While the Lending Test analysis includes lending activity from both 2016 and 2017, this evaluation focuses on bank performance based on 2017 lending activity, noting significant divergences in performance between the two years, as applicable. See *Appendix D* for detailed performance figures based on 2016 lending activity.

[1] The bank's two credit granting subsidiaries, Mortgage Central and Online Central, were including in the HMDA loan category for this examination.
[2] Unlike other large bank CRA performance criteria, a lack of innovative and/or flexible lending practices does not necessarily impact the bank's performance negatively. These activities are largely used to augment consideration given to an institution's performance under the quantitative criteria, resulting in a higher performance rating.

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 U.S. Census data, and business demographics are based on Dun & Bradstreet data. When analyzing bank performance, greater emphasis is generally placed on aggregate lending data, which are expected to describe many factors impacting lenders, are updated annually, and expected to 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 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 retail services.
- Community development services.

**Community Contacts**

To augment this evaluation, three community contact interviews were used to ascertain specific credit needs, opportunities, and local market conditions in the bank's assessment areas. These interviews were conducted with knowledgeable individuals residing or conducting business in the bank's assessment areas. One new community contact interview was conducted with this examination, while two community contact interviews conducted in conjunction with a recent CRA evaluation were referenced. Key details from these interviews are included in the *Description of Institution's Operations in the Jefferson City Assessment Area* section.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The Central Trust Bank's meets the standards for a high satisfactory Lending Test rating under the large bank procedures, which evaluate bank performance under the following criteria.[3]

| Lending Test Summary | |
|---|---|
| Lending Activity | Excellent Responsiveness |
| Assessment Areas Concentration | Adequate Percentage |
| Borrower Distribution | Good Penetration |
| Geographic Distribution | Adequate Penetration |
| Community Development Loans | Leader in Making |
| Product Innovation | Extensive Use |

Additional details are included in the conclusions section for the Jefferson City assessment area.

### Lending Activity

Combined lending activity for both assessment areas from 2016 and 2017 is detailed in the following table and includes the product lines reviewed during this examination.

| Summary of Lending Activity<br>January 1, 2016 – December 31, 2017 | | | | |
|---|---|---|---|---|
| **Loan Type** | **#** | **%** | **$(000s)** | **%** |
| Home Improvement | 183 | 7.9% | $9,980 | 3.6% |
| Home Purchase | 704 | 30.2% | $107,732 | 38.7% |
| Multifamily Housing | 9 | 0.4% | $4,980 | 1.8% |
| Refinancing | 330 | 14.2% | $51,732 | 18.6% |
| **TOTAL HMDA** | **1,226** | **52.7%** | **$174,424** | **62.7%** |
| **Small Business** | **1,000** | **43.0%** | **$102,243** | **36.7%** |
| **Consumer** | **102** | **4.4%** | **$1,605** | **0.6%** |
| **TOTAL LOANS** | **2,328** | **100%** | **$278,272** | **100%** |

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. While the total number and dollar of loans is one component used to assess lending activity, additional consideration was given to lending performance in light of competitive factors, assessment area needs, and loan growth. The bank's number of HMDA and small business loans was compared against the number of loans made by aggregate lenders in the bank's primary assessment area

[3] Loan activity displayed in the Lending Activity and Assessment Area Concentration tables do not include subsidiary lending activity.

during the review period. For both product types, the bank ranked first in originations out of 170 HMDA aggregate lenders and 62 CRA aggregate lenders in the Jefferson City assessment area. Community contacts noted HMDA and small businesses loans as significant credit needs. Moreover, home purchases, which have increased since the previous evaluation, represent the majority of HMDA lending. This level and increase of home purchase lending is especially responsive, as community contacts noted the need for more owner-occupied housing in the Jefferson City assessment area.

## Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment areas.

| Lending Inside and Outside of Assessment Areas ($000s)<br>January 1, 2016 through December 31, 2017 | | | | | | |
|---|---|---|---|---|---|---|
| **Loan Type** | **Inside Assessment Areas** | | **Outside Assessment Areas** | | **TOTAL** | |
| HMDA | 1,226 | 77.2% | 363 | 22.8% | **1,589** | **100%** |
| | $174,424 | 72.7% | $65,646 | 27.3% | **$240,070** | **100%** |
| Small Business | 1,000 | 68.8% | 453 | 31.2% | **1,453** | **100%** |
| | $102,243 | 70.0% | $43,903 | 30.0% | **$146,146** | **100%** |
| Consumer Motor Vehicle | 102 | 47.9% | 111 | 52.1% | **213** | **100%** |
| | $1,605 | 44.9% | $1,967 | 55.1% | **$3,572** | **100%** |
| **TOTAL LOANS** | **2,328** | **71.5%** | **927** | **28.5%** | **3,255** | **100%** |
| | **$278,272** | **71.4%** | **$111,516** | **28.6%** | **$389,788** | **100%** |

An adequate percentage of loans were made in the bank's assessment areas. As shown above, 71.5 percent of the total loans were made inside the assessment areas, accounting for 71.4 percent of the dollar volume of total loans.

## Borrower and Geographic Distribution

Overall, the bank's performance by borrower's income reflects good penetration, as displayed in the following tables:

| Full-Scope Assessment Area | Loan Distribution by Borrower's Profile |
|---|---|
| Jefferson City | Good |
| **OVERALL** | **GOOD** |

| Limited-Scope Assessment Area | Loan Distribution by Borrower's Profile |
|---|---|
| NonMSA Missouri | Consistent |

As displayed in the following tables, the bank's overall distribution of lending by income level of census tract reflects adequate penetration.

| Full-Scope Assessment Area | Geographic Distribution of Loans |
|---|---|
| Jefferson City | Adequate |
| **OVERALL** | **Adequate** |

| Limited-Scope Assessment Area | Geographic Distribution of Loans |
|---|---|
| NonMSA Missouri | Consistent |

## Community Development Lending Activities

Overall, The Central Trust Bank is a leader in making community development loans, as noted in the following tables:

| Full-Scope Assessment Area | Community Development Lending |
|---|---|
| Jefferson City | Leader in Making |
| **OVERALL** | **LEADER IN MAKING** |

| Limited-Scope Assessment Area | Community Development Lending |
|---|---|
| NonMSA Missouri | Below |

During the review period, the bank originated or renewed ten qualifying community development loans, all of which were in the Jefferson City assessment area, totaling $23.4 million. This represents a significant increase from the $5.4 million noted at the previous examination. Further, it exceeds the performance of similarly situated peers in the area.

The loans qualified for a variety of community development purposes, including affordable housing, community services for LMI individuals, and revitalization and stabilization of LMI areas designated by the state of Missouri as Enhanced Enterprise Zones (EEZs). Noteworthy and impactful loans include those to construct an affordable housing complex for LMI senior citizens, remodel a community health center where a majority of patients receive Medicaid, and construct a facility for an organization that primarily serves LMI children. This lending activity is especially responsive to the needs noted by community contacts, specifically, affordable housing and healthcare for LMI persons and community services for LMI children.

## Product Innovation

The bank makes extensive use of innovative and flexible lending practices in serving the credit needs of its assessment areas. Community contacts noted affordable housing for LMI individuals and families and small business lending as significant needs in the area. As such, the qualitative impact of the following products enhanced the bank's overall Lending Test rating.

- Old Town Program: This program, through the Old Town Redevelopment Corporation, is one in which the bank pledges to make loans up to $500,000 for owner-occupied, single family residences in the Old Town neighborhood, the majority of which is located in a low-income tract. During the review period, the bank originated $211,019 in small-dollar mortgages.

- Federal Home Loan Bank (FHLB) of Des Moines Welcome HOME Program: The bank received a $250,000 grant from the FHLB to provide up to $5,000 to LMI persons for the purchase of an owner-occupied residence. To qualify, the applicant cannot currently own a home. During the review period, the bank originated 51 loans totaling $4,638,965 that utilized funds provided through this loan program.

- U.S. Department of Agriculture (USDA), Rural Development: This program assists LMI individuals in purchasing affordable housing in rural areas. There are no down payment or mortgage insurance requirements. During the review period, the bank originated 90 loans totaling $10,823,852.

- Community Development Block Grant Down Payment Assistance Program: This grant program, through the city of Jefferson City and affiliated with the U.S. Department of Housing and Urban Development, provides down payment assistance to LMI persons. The program specifically targets first-time homebuyers, thus increasing owner-occupancy rates in the assessment area. During the review period, the bank originated six loans totaling $451,630.

- Missouri Housing Development Commission Loan Program: This program helps with closing cost and down payment assistance for LMI families. During the review period, the bank originated one loan totaling $89,700.

- Small Business Administration Loan Program: This program provides financing to small businesses in the assessment area. During the review period, the bank originated or extended 23 loans totaling $2,929,056.

- Farm Service Agency Direct Ownership Program: This program makes loans available to farmers and ranchers to become owner-operators of farms, improve operations, and increase productivity. During the review period, the bank originated or extended five loans totaling $1,177,501.

- USDA Business and Industry: This program assists in the financing of small farms in the assessment area. The program allows the bank to extend more credit to farms than it otherwise would be able to. During the review period, the bank originated two loans totaling $341,500.

INVESTMENT TEST

The bank's performance under the Investment Test is rated high satisfactory. Overall, the bank made a significant level of qualified community development investments and grants, occasionally making use of innovative and/or complex investments to support community development initiatives. Moreover, the investments exhibit good responsiveness to credit and community development needs, as identified by community contacts. The following table displays investment and grant activity performance for each assessment area.

| Full-Scope Assessment Area | Investment and Grant Activity |
|---|---|
| Jefferson City | Significant Level |
| **OVERALL** | **SIGNIFICANT LEVEL** |

| Limited-Scope Assessment Area | Investment and Grant Activity |
|---|---|
| NonMSA Missouri | Consistent |

During the review period, the bank made 13 new investments totaling $910,926 and had $14.4 million in previous period investments still outstanding. In addition, the bank made 31 donations totaling $279,535, all of which were to organizations in the bank's assessment areas. Further, along with meeting the needs of its own assessment areas, $2.6 million of the previous period investments were to Missouri school districts outside of its assessment areas. This investment and grant activity exceeds the performance of similarly situated peers in the area. Responsive investments and donations were made to a variety of organizations, which provided community services to LMI children and promoted economic development in the assessment areas.

SERVICE TEST

The bank's performance under the Service Test is rated high satisfactory. The bank's delivery systems are readily accessible to geographies and individuals of different income levels. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. Moreover, business hours and services do not vary in a way that inconveniences certain portions of its assessment areas, particularly LMI geographies and LMI individuals. Lastly, the bank provides a relatively high level of community development services within its assessment areas.

**<u>Accessibility of Delivery Systems</u>**

The bank's delivery systems are readily accessible to the geographies and individuals of different income levels, as shown in the following tables:

| Full-Scope Assessment Area | Accessibility of Delivery Systems |
|---|---|
| Jefferson City | Readily Accessible |
| **OVERALL** | **READILY ACCESSIBLE** |

| Limited-Scope Assessment Area | Accessibility of Delivery Systems |
|---|---|
| NonMSA Missouri | Below |

While performance in nonMSA Missouri is below the readily accessible level in the Jefferson City assessment area, delivery systems are still reasonably accessible.

The following table displays the bank's distribution of offices and ATMs in the assessment areas.

| Distribution of Delivery Systems Inside Assessment Areas by Income Level of Geography | | | | | |
|---|---|---|---|---|---|
| **Dataset** | **Geography Income Level** | | | | **TOTAL** |
| | **Low-** | **Moderate-** | **Middle-** | **Upper-** | |
| Offices with On-site ATMs | 3 | 0 | 7 | 3 | **13** |
| | 23.1% | 0.0% | 53.8% | 23.1% | **100%** |
| Free-Standing ATMs | 4 | 1 | 2 | 1 | **8** |
| | 50.0% | 12.5% | 25.0% | 12.5% | **100%** |
| **TOTAL** | **7** | **1** | **9** | **4** | **21** |
| | **33.3%** | **4.8%** | **42.9%** | **19.0%** | **100%** |
| Census Tracts | 1 | 4 | 21 | 6 | 32 |
| | 3.1% | 12.5% | 65.6% | 18.8% | 100% |

The bank operates three offices and five ATMs in LMI geographies throughout its assessment areas. The percentage of offices in low-income census tracts (23.1 percent) is significantly higher than the total percentage of low-income census tracts throughout the assessment area (3.1 percent), and all LMI census tracts (15.6 percent). Similarly, the number of ATMs in LMI census tracts (62.5 percent) is significantly higher than the number of LMI census tracts (15.6 percent). Further, two of the branches located in nonLMI areas are inside a large, low-cost grocery chain; as such, these branches likely serve a large number of LMI individuals. While these are the bank's primary delivery systems for geographies of different income levels, the bank uses additional alternative delivery systems to supplement its branch and ATM network.

The bank maintains a website and mobile banking application that allows for standard online banking capabilities, as well as deposit and loan account opening and application, bill pay, and mobile deposit. Secondly, the bank's 24-hour telephone banking line provides customers with deposit and loan account information and funds transfer and loan payment capabilities. The website, mobile banking, and telephone banking services are available to all bank customers regardless of location or income.

## Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. During the review period, the bank added one branch office in New Bloomfield, Missouri, located in a middle-income census tract, which was an existing branch of an acquired institution. No branches were closed during the review period.

| Full-Scope Assessment Area | Changes in Branch Location |
|---|---|
| Jefferson City | Not Adversely Affected |
| **OVERALL** | **NOT ADVERSELY AFFECTED** |

| Limited-Scope Assessment Area | Changes in Branch Location |
|---|---|
| NonMSA Missouri | Consistent |

## Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Overall, banking services and business hours do not vary in a way that inconveniences the bank's assessment areas, particularly LMI geographies and LMI individuals. Most offices are open standard business hours during the week, including those in and near LMI geographies. Three locations offer extended hours until 7:00 p.m. during the week, two of which are located in the aforementioned low-cost grocery chain. Further, six offices have extended drive-thru hours until 6:00 p.m. during the week, one of which is in a low-income census tract. Lastly, ten of the bank's locations offer Saturday lobby and drive-thru hours primarily until noon, including one in a low-income census tract and two located in low-cost grocery stores with lobby hours until 7:00 p.m.

| Full-Scope Assessment Area | Reasonableness of Business Hours and Services |
|---|---|
| Jefferson City | Do Not Vary in a Way that Inconveniences |
| **OVERALL** | **DO NOT VARY IN A WAY THAT INCONVENIENCES** |

| Limited-Scope Assessment Area | Reasonableness of Business Hours and Services |
|---|---|
| NonMSA Missouri | Consistent |

**Community Development Services**

The bank provides a relatively high level of community development services, as shown in the following table:

| Full-Scope Assessment Area | Community Development Services |
|---|---|
| Jefferson City | Relatively High Level |
| **OVERALL** | **RELATIVELY HIGH LEVEL** |

| Limited-Scope Assessment Area | Community Development Services |
|---|---|
| NonMSA Missouri | Consistent |

In total, 34 employees provided 57 community development services to 27 different organizations benefitting the bank's assessment areas. This represents an increase in activities since the previous evaluation. Impactful services included financial expertise provided by employees to four organizations with the primarily purpose of serving LMI residents or promoting economic development.

## FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Consumer Affairs examination included a fair lending analysis performed under Regulation B – Equal Credit Opportunity and the Fair Housing Act requirements and was conducted concurrently with this CRA evaluation. Based on findings from that concurrent examination, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

# JEFFERSON CITY, MISSOURI METROPOLITAN STATISTICAL AREA

*(Full-Scope Review)*

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE JEFFERSON CITY ASSESSMENT AREA

### Bank Structure

The bank operates 12 of its offices (92.3 percent) and all 8 of its standalone ATMs in this assessment area, located as follows:

| Number of Delivery Systems by Census Tract Classification | | | | |
|---|---|---|---|---|
| | **Low-Income** | **Moderate-Income** | **Middle-Income** | **Upper-Income** |
| Offices | 3 | 0 | 6 | 3 |
| Free-Standing ATMs | 4 | 1 | 2 | 1 |

One of the 12 offices, which primarily houses back-office operations, is a limited-service branch, offering limited deposit services. This limited service branch, however, is in close proximity to two other full-service branches. As previously noted, during the review period, the bank added one branch office located in a middle-income census tract. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to its entire assessment area.

### General Demographics

The assessment area is comprised of Cole, Callaway, and Moniteau Counties, three of the four counties that make up the Jefferson City, Missouri MSA. Cole County contains the city of Jefferson City. The assessment area's population as of the 2010 U.S. Census is shown in the following table:

| County | Population |
|---|---|
| Cole | 76,533 |
| Callaway | 44,566 |
| Moniteau | 15,801 |
| **Total Assessment Area Population** | **136,900** |

Along with the population figures shown in the preceding table, the assessment area has 5,151 businesses, 4,499 of which are small businesses (87.3 percent). As a result, the assessment area has a mix of credit needs, including consumer and business loan products for residents and businesses of different income/revenue levels. More specifically, community contacts noted particular needs for affordable owner-occupied housing and small business loans.

This is a competitive banking market with 18 FDIC-insured depository institutions operating 51 offices in the assessment area. The Central Trust Bank leads the assessment area with a deposit market share of 36.7 percent, while the institution that ranks second possesses only 12.6 percent. Further, the bank is the leading HMDA and CRA lender in the assessment area.

## Income and Wealth Demographics

The following table reflects the number of census tracts by geography income level and the family population of those census tracts in the assessment area.

| Assessment Area Demographics by Geography Income Level | | | | | | |
|---|---|---|---|---|---|---|
| **Dataset** | **Low-** | **Moderate-** | **Middle-** | **Upper-** | **Unknown** | **TOTAL** |
| Census Tracts | 1 | 3 | 18 | 5 | 0 | **27** |
| | 3.7% | 11.1% | 66.7% | 18.5% | 0.0% | **100%** |
| Family Population | 461 | 3,255 | 21,917 | 7,833 | 0 | **33,466** |
| | 1.4% | 9.7% | 65.5% | 23.4% | 0.0% | **100%** |

As shown in the preceding table, the majority of census tracts in the assessment area are middle-income (66.7 percent), with only 14.8 percent being LMI. Further, of the total families in the assessment area, only 11.1 percent live in LMI census tracts. These LMI areas are primarily concentrated in the city of Jefferson City (75.0 percent), which is located in Cole County, while the remaining moderate-income census tract is in the rural portion of Callaway County.

According to 2010 U.S. Census data, the median family income for the assessment area was $62,368. In comparison, the median family income for the state of Missouri as a whole was below the assessment area at $60,809. More recently, the FFIEC estimates the 2016 and 2017 median family incomes for the Jefferson City MSA to be $60,200 and $64,400, respectively. The following table displays the distribution of assessment area families by income level compared to all Missouri families.

| Family Population by Income Level | | | | | |
|---|---|---|---|---|---|
| **Dataset** | **Low-** | **Moderate-** | **Middle-** | **Upper-** | **TOTAL** |
| Jefferson City Assessment Area | 6,229 | 5,791 | 8,382 | 13,064 | **33,466** |
| | 18.6% | 17.3% | 25.0% | 39.0% | **100%** |
| Missouri | 327,815 | 275,076 | 319,230 | 607,885 | **1,530,006** |
| | 21.4% | 18.0% | 20.9% | 39.7% | **100%** |

While the table in the previous section indicated that 11.1 percent of families live in LMI census tracts, the preceding table shows that 35.9 percent of families in the assessment area are LMI. This LMI family percentage is less than the 39.4 percent of LMI families in the state of Missouri. In addition, while not shown in the preceding data, the percentage of families living below the poverty level in the assessment area, 9.3 percent, is less than the 11.1 percent in the state of

Missouri. While this data indicates that the assessment area is more affluent than the state of Missouri, community contacts noted the LMI population in the assessment area struggles to obtain affordable housing. Community contacts also indicated that this population would benefit from additional housing options and flexible lending programs though financial institutions, such as down payment assistance.

**Housing Demographics**

The following table provides details of the housing demographics of the assessment area compared to the state of Missouri as a whole.

| Housing Demographics | | | |
|---|---|---|---|
| **Dataset** | **Median Housing Value** | **Affordability Ratio** | **Median Gross Rent (Monthly)** |
| Jefferson City Assessment Area | $139,208 | 36.7% | $613 |
| Missouri | $138,400 | 34.8% | $746 |

Based on the affordability ratio, housing is slightly more affordable in the assessment area despite similar housing values to the state. The assessment area benefits from having a higher median family income, combined with a significantly lower median gross rent than the state of Missouri. Community contacts, however, noted that LMI residents struggle to obtain affordable housing due to a limited amount of quality housing, particularly in LMI census tracts, and financial obstacles when applying for home purchase loans at financial institutions.

**Industry and Employment Demographics**

The assessment area supports a large and diverse business community, including a strong small business sector. According to Dun & Bradstreet, 87.3 percent of businesses in the assessment area have revenues under $1 million. County business patterns indicate that there are 49,886 paid employees in the assessment area. By percentage of employees, the three largest job categories are health care and social assistance (19.2 percent), retail trade (14.7 percent), and manufacturing (9.3 percent). This data aligns with some of the largest employers noted by community contacts, including Capital Region Medical Center and Fulton State Hospital.
The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area and the state of Missouri.

| Unemployment Data | | |
|---|---|---|
| **Dataset** | **2016 Annual Average** | **2017 Annual Average** |
| Jefferson City Assessment Area | 3.8% | 3.2% |
| Missouri | 4.5% | 3.8% |

As shown in the preceding table, unemployment levels declined and were lower than the state of Missouri during the review period. While not shown in the data, the unemployment rates were slightly higher in Callaway and Moniteau Counties compared to Cole County, where Jefferson City is located.

**Community Contact Information**

For this assessment area, three community contact interviews were used to ascertain specific credit needs, opportunities, and local market conditions. Two interviews were with individuals specializing in economic development, while the third was with an individual specializing in affordable housing.

One contact, specializing in economic development in Jefferson City, noted the assessment area as having a low cost of living and unemployment rate. Despite these positive metrics, however, the area still faces challenges. Pertaining to small businesses, the contact noted small-dollar loans, working capital, and financial education as specific needs. Small-dollar loans are especially needed, as these loans sometimes determine the survival of a business. Outside of needs specific to small businesses, the contact identified the need for healthcare and affordable housing in LMI communities. Relating to revitalization efforts, the contact noted the East Capitol Urban Renewal Plan in the East Capitol Avenue area, which includes the low-income census tract and Old Town neighborhood. The contact noted opportunities for local financial institutions to provide assistance in these revitalization efforts, which aim to restore the historic, yet blighted, neighborhood.

Similarly, the second contact, specializing in affordable housing in Jefferson City, had comparable observations of the local economy. The contact stressed the need for more affordable housing, particularly in LMI areas. LMI residents face significant hurdles when applying for home purchases, as many are unbanked, in-debt, and have low-credit scores. As with the first contact, revitalization efforts were noted through the East Capital Urban Renewal Plan, particularly in the low-income census tract, where property conditions have deteriorated and buildings have been abandoned. The contact similarly noted the opportunity for financial institutions to partner in furthering the objectives of the East Capitol Urban Renewal Plan. Additional needs identified by the contact include affordable housing for LMI residents, down payment assistance, small-dollar loans as an alternative to payday lenders, financial literacy programs, and community services targeted to low-income children in the community.

The third contact, specializing in economic development in rural Callaway County, noted the assessment area as being stable with a low unemployment rate. Although the unemployment rate is low, according to the contact, the poverty rate in the county is approximately 13 percent. The contact attributed this discrepancy to larger employers in the area offering lower wages to area residents, compared to those in Jefferson City and Columbia. Moreover, those with personal transportation tend to commute to the aforementioned cities for higher wages, while those without transportation, often LMI individuals, must make due with local opportunities. Relating to credit needs in the community, this contact echoed the first, noting a need for small-dollar loans for small businesses.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE JEFFERSON CITY ASSESSMENT AREA

LENDING TEST

Lending levels reflect excellent responsiveness to the credit needs of the Jefferson City assessment area. The overall distribution of loans by borrowers' income and revenue profiles reflects good penetration among borrowers of different income levels and businesses of different revenue sizes. Further, the bank's overall geographic distribution of loans reflects adequate penetration throughout the assessment area. Additionally, the bank is a leader in making community development loans in this assessment area.

**Lending Activity**

The following table displays the bank's 2017 lending volume in this assessment area by number and dollar volume.

**Summary of Lending Activity**
**January 1, 2017 – December 31, 2017**

| Loan Type | # | % | $(000s) | % |
|---|---|---|---|---|
| Home Improvement | 69 | 7.2% | $3,604 | 3.0% |
| Home Purchase | 302 | 31.6% | $49,213 | 41.3% |
| Multifamily Housing | 3 | 0.3% | $2,863 | 2.4% |
| Refinancing | 111 | 11.6% | $16,815 | 14.1% |
| **TOTAL HMDA** | **485** | **50.7%** | **$72,495** | **60.8%** |
| **Small Business** | **432** | **45.2%** | **$46,023** | **38.6%** |
| **Consumer** | **39** | **4.1%** | **$737** | **0.6%** |
| **TOTAL LOANS** | **956** | **100%** | **$119,255** | **100%** |

The bank's lending levels reflect excellent responsiveness to assessment area credit needs. When reviewing the level of the lending activity, the bank's number of HMDA and small business loans was compared against the number of loans made by aggregate lenders in the Jefferson City assessment area during the review period. For both product types, the bank ranked first in originations out of 170 HMDA aggregate lenders and 62 CRA aggregate lenders. As previously noted, community contacts identified home purchase and small business lending as the primary credit needs in the assessment area. The bank's responsiveness to the community's need for increased owner-occupied housing is indicated by the large portion of home purchase loans originated, which represents 67.9 percent of the bank's total HMDA lending by dollar. This level of home purchase lending is above that of aggregate lenders (54.2 percent). Moreover, the bank's significant focus on small business lending helps meet the need identified by community contacts.

## Loan Distribution by Borrower's Profile

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 ($64,400 for the assessment area as of 2017). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2017 aggregate performance for the assessment area. Overall, the bank's loan distribution by borrower's profile is good.

| Distribution of Loans Inside Assessment Area by Borrower Income<br>January 1, 2017 through December 31, 2017 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Borrower Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Home Purchase | 28 | 9.3% | 56 | 18.5% | 68 | 22.5% | 124 | 41.1% | 26 | 8.6% | **302** | **100%** |
| Refinance | 3 | 2.7% | 15 | 13.5% | 33 | 29.7% | 58 | 52.3% | 2 | 1.8% | **111** | **100%** |
| Home Improvement | 12 | 17.4% | 21 | 30.4% | 18 | 26.1% | 16 | 23.2% | 2 | 2.9% | **69** | **100%** |
| Multifamily | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% | **3** | **100%** |
| **TOTAL HMDA** | **43** | **8.9%** | **92** | **19.0%** | **119** | **24.5%** | **198** | **40.8%** | **33** | **6.8%** | **485** | **100%** |
| Family Population | 18.6% | | 17.3% | | 25.0% | | 39.0% | | 0.0% | | **100%** | |
| 2017 HMDA Aggregate | 10.1% | | 21.3% | | 22.6% | | 29.2% | | 16.8% | | **100%** | |

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (8.9 percent) is substantially below the low-income family population figure (18.6 percent) but similar to the aggregate lending level to low-income borrowers (10.1 percent), reflecting adequate performance. The bank's level of lending to moderate-income borrowers (19.0 percent) is below the moderate-income aggregate figure (21.3 percent), but is above the aggregate family population level (17.3 percent), reflecting good performance.

Bank performance is further solidified by information gathered from community contacts. Specifically, community contacts noted a lack of homeownership opportunities for LMI residents, due to limited affordable housing, as well as many LMI persons being unbanked, in-debt, and having low credit scores. This context is consistent with the low aggregate lending data, compared to family population demographics, with respect to low-income borrowers. Taking into account this context, the lending to moderate-income borrowers is particularly noteworthy. Moreover, 62.2 percent of HMDA lending to LMI borrowers was for home purchases, which illustrates the bank meeting needs identified by the community contacts. Therefore, considering performance of both income categories, the bank's overall distribution of HMDA loans by borrower's profile is good.

The following table shows the distribution of 2017 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and CRA aggregate data. Overall, the bank's loan distribution to businesses of different revenue sizes is good.

| Distribution of Loans Inside Assessment Area by Business Revenue<br>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 | 254 | 58.8% | 41 | 9.5% | 22 | 5.1% | **317** | **73.4%** |
| Greater than $1 Million/Unknown | 70 | 16.2% | 21 | 4.9% | 24 | 5.6% | **115** | **26.6%** |
| **TOTAL** | **324** | **75.0%** | **62** | **14.4%** | **46** | **10.6%** | **432** | **100%** |
| Dun & Bradstreet Businesses ≤ $1 Million | | | | | | | **87.3%** | |
| Small Business Aggregate ≤ $1 Million | | | | | | | **56.1%** | |

As displayed in the preceding table, 73.4 percent of the bank's small business loans were originated to businesses with revenues of $1 million or less. This performance is significantly above the aggregate lending level of 56.1 percent, but below the Dun & Bradstreet estimate of small businesses in the area (87.3 percent). Further, of the 317 loans made to small businesses, 254 (80.1 percent) were in amounts of $100 thousand or less. This level of lending reflects the bank's responsiveness to the needs of the small business community, as both community contacts specializing in economic development noted the need for small-dollar, small business loans. The aforementioned performance context, along with the quantitative data, reflects good penetration among businesses of different revenue sizes.

Finally, the following table displays the distribution of 2017 consumer motor vehicle loans by the income level of the borrower compared to household population data. Overall, the bank's distribution by borrower's profile is poor.

| Distribution of Bank Loans Inside Assessment Area by Income Level of Borrower<br>January 1, 2017 through December 31, 2017 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Borrower Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Consumer Motor Vehicle Loans | 3 | 7.7% | 4 | 10.3% | 15 | 38.5% | 14 | 35.9% | 3 | 7.7% | **39** | **100%** |
| Household Population | 22.6% | | 16.6% | | 20.2% | | 40.6% | | 0.0% | | **100%** | |

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (7.7 percent) is substantially below the low-income household population figure (22.6 percent), reflecting poor performance. Similarly, the bank's level of lending to moderate-income borrowers (10.3 percent) is below the moderate-income household population figure (16.6 percent), reflecting poor performance. Contrarily, the bank made 26.7 percent of its consumer motor vehicle loans to moderate-income borrowers in 2016, which reflects excellent performance. However, given the decreasing performance to moderate-income borrowers between 2016 and 2017, overall performance to LMI individuals is poor.

**Geographic Distribution of Loans**

As noted previously, the assessment area includes one low-income and three moderate-income census tracts, representing 14.8 percent of all assessment area census tracts. The following table displays the geographic distribution of the 2017 HMDA loans compared to owner-occupied housing demographics and aggregate data for the assessment area. Overall, the bank's geographic distribution of loans reflects adequate penetration throughout the LMI census tracts.

| 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 | 3 | 1.0% | 18 | 6.0% | 194 | 64.2% | 87 | 28.8% | 0 | 0.0% | **302** | **100%** |
| Refinance | 0 | 0.0% | 3 | 2.7% | 67 | 60.4% | 41 | 36.9% | 0 | 0.0% | **111** | **100%** |
| Home Improvement | 0 | 0.0% | 2 | 2.9% | 53 | 76.8% | 14 | 20.3% | 0 | 0.0% | **69** | **100%** |
| Multifamily | 0 | 0.0% | 1 | 33.3% | 2 | 66.7% | 0 | 0.0% | 0 | 0.0% | **3** | **100%** |
| **TOTAL HMDA** | **3** | **0.6%** | **24** | **4.9%** | **316** | **65.2%** | **142** | **29.3%** | **0** | **0.0%** | **485** | **100%** |
| Owner-Occupied Housing | 0.5% | | 7.7% | | 67.8% | | 24.0% | | 0.0% | | **100%** | |
| 2017 HMDA Aggregate | 0.7% | | 7.0% | | 67.9% | | 24.4% | | 0.0% | | **100%** | |

As displayed in the preceding table, the bank's penetration of the low-income census tract by number of loans (0.6 percent) is similar to the percentage of owner-occupied housing units in low-income census tracts (0.5 percent) and aggregate data (0.7 percent), reflecting adequate performance. While the bank only made three loans, in the low-income census tract, 62.6 percent of housing units are rentals, 27.2 percent are vacant, and only 10.3 percent are owner occupied. Given the limited supply of owner-occupied housing in the low-income census tract, the bank's performance is especially impactful.

Additionally, the bank's performance in moderate-income tracts by number of loans (4.9 percent) is below the percentage of owner-occupied housing units in moderate-income census tracts (7.7 percent) and aggregate data (7.0 percent), but also reflects adequate performance. Overall, performance in LMI census tracts is adequate. This performance is also noteworthy, as home purchases, a specific need noted by community contacts, represented 21 of the 27 loans (77.8 percent) originated in LMI tracts, which exceeds aggregate performance (67.5 percent).

The following table displays the geographic distribution of 2017 small business loans compared to Dun & Bradstreet and CRA aggregate data for each geography income level. Overall, the geographic distribution of small business loans reflects good penetration throughout the LMI census tracts.

| Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2017 through December 31, 2017 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | |
| Small Business Loans | 46 | 10.6% | 49 | 11.3% | 222 | 51.4% | 115 | 26.6% | 0 | 0.0% | **432** | **100%** |
| Business Institutions | 9.6% | | 14.1% | | 48.5% | | 27.8% | | 0.0% | | **100%** |
| 2017 Small Business Aggregate | 7.5% | | 13.5% | | 52.2% | | 25.5% | | 1.2% | | **100%** |

As displayed in the preceding table, 10.6 percent of the bank’s small business loans were made in the low-income census tract. This performance exceeds both the aggregate lending level of 7.5 percent and the 9.6 percent of business institutions located in the low-income census tract, reflecting excellent performance. The bank’s performance in moderate-income tracts by number of loans (11.3 percent) is slightly below the aggregate lending level of 13.5 percent and the 14.1 percent of business institutions located in moderate-income census tracts, reflecting adequate performance. Furthermore, combined performance in the LMI tracts (21.9 percent) is above the aggregate level (21.0 percent).

This lending is especially responsive as community contacts noted the need for small business loans, particularly in the low-income tract where the bank had excellent performance. Multiple revitalization plans are underway to improve the blighted area within this low-income tract, one of which the bank has taken a leadership role. Multiple bank employees serve on the board of directors of this organization and the bank participates in a specialized owner-occupied loan program in this area. Despite the lack of a similar small business loan program, the lending levels in the low-income census tract, which exceeds aggregate and demographic lending, shows the bank’s commitment to the revitalization of this low-income area. As such, overall small business performance is good.

Finally, the following table displays the geographic distribution of 2017 consumer motor vehicle loans compared to household population data for each geography income level. Overall, the geographic distribution of loans reflects poor penetration throughout the LMI census tracts.

| Distribution of Bank Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2017 through December 31, 2017 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Consumer Motor Vehicle Loans | 1 | 2.6% | 1 | 2.6% | 26 | 66.7% | 11 | 28.2% | 0 | 0.0% | **39** | **100%** |
| Household Population | 2.4% | | 11.0% | | 63.8% | | 22.8% | | 0.0% | | **100%** | |

As displayed in the preceding table, the bank's percentage of lending in the low-income census tract (2.6 percent) is similar to the low-income household population figure (2.4 percent), reflecting good performance. This performance is noteworthy, as a substantial percentage of families in the low-income census tract live below the poverty line (43.8 percent). Additionally, 40.2 percent of renters in this geography have rental costs that exceeds 30 percent of their income. As such, individuals residing in this tract have less disposable income to purchase motor vehicles.

Contrarily, the bank's level of lending in moderate-income census tracts (2.6 percent) is significantly below the moderate-income household population figure (11.0 percent), reflecting poor performance. Despite the demographic lending constraints previously noted, given the overall level of lending in LMI tracts, geographic distribution is poor.

Lastly, based on review from all lending categories, The Central Trust Bank had loan activity in each census tract in the assessment area in both 2016 and 2017. Therefore, no conspicuous gaps in LMI areas were noted.

**<u>Community Development Lending Activities</u>**

The Central Trust Bank is a leader in making community development loans in the Jefferson City assessment area. During the review period, the bank originated or renewed ten community development loans for $23.4 million. This represents a significant increase since the previous examination, doubling in number and quadrupling by dollar.
Noteworthy community development loans include:

- Three loan originations or extensions totaling $17.0 million to two businesses located in LMI areas, which are also designated as EEZs.
- One loan for $3.9 million to construct an affordable housing complex for LMI elderly area residents.
- One loan for $544,000 to construct a new facility for an organization that provides community services to LMI children in the assessment area.

- Two loan extensions totaling $600,000 to remodel a building for an organization that provides healthcare services to LMI residents.

INVESTMENT TEST

The Central Trust Bank makes a significant level of qualified community development investments and grants in the Jefferson City assessment area. During the review period, the bank had 17 investments and 30 donations totaling $9.5 million in the Jefferson City assessment area. Of that total, $905,176 were current period investments, $8.3 million were prior period investments still outstanding, and $274,535 were in donations to various community development organizations. Overall investments and donations were slightly higher than performance at the bank's previous examination.

The bank makes occasional use of innovative and/or complex investments to support community development initiatives. Moreover, the investments exhibit good responsiveness to credit and community development needs, as identified by community contacts. Investments and donations deemed most responsive in the Jefferson City assessment area include:

- A $100,000 tax credit was made to an economic development organization that provides financing to small businesses and small farms in the assessment areas.

- Three donations totaling $17,900 were made to two economic development organizations in the assessment areas that strive to increase the number of small businesses and improve employment conditions for area residents.

- Ten donations totaling $144,500 were made to five organizations providing community services to LMI children.

- Three tax credits totaling $72,500 were made to two organizations providing community services to LMI children.

SERVICE TEST

The bank's delivery systems are readily accessible to geographies and individuals of different income levels. Its record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and LMI individuals. Moreover, business hours and services do not vary in a way that inconveniences certain portions of the Jefferson City assessment area, particularly LMI geographies and LMI individuals. Lastly, the bank provides a relatively high level of community development services in the Jefferson City assessment area.

**Accessibility of Delivery Systems**

The Central Trust Bank operates 12 offices in the Jefferson City assessment area, all of which offer at least one full-service ATM.

| Distribution of Delivery Systems by Income Level of Geography – Jefferson City | | | | | |
|---|---|---|---|---|---|
| **Dataset** | **Geography Income Level** | | | | **TOTAL** |
| | **Low-** | **Moderate-** | **Middle-** | **Upper-** | |
| Offices with On-site ATMs | 3 | 0 | 6 | 3 | **12** |
| | 25.0% | 0.0% | 50.0% | 25.0% | **100%** |
| Free-Standing ATMs | 4 | 1 | 2 | 1 | **8** |
| | 50.0% | 12.5% | 25.0% | 12.5% | **100%** |
| Census Tracts | 3.7% | 11.1% | 66.7% | 18.5% | **100%** |
| Household Population | 2.4% | 11.0% | 63.8% | 22.8% | **100%** |

## Changes in Branch Locations

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and individuals. In July 2017, the bank added one branch office in New Bloomfield, Missouri, located in a middle-income census tract. No branches were closed during the review period.

## Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Overall, banking services and business hours do not vary in a way that inconveniences the assessment area, particularly LMI geographies and LMI individuals. Most offices are open standard business hours during the week, including those in and near LMI geographies. Three locations offer extended hours until 7:00 p.m. during the week, two of which are located in a low-cost grocery chain. Further, five offices have extended drive-thru hours until 6:00 p.m. during the week, one of which is in a low-income census tract. Lastly, nine of the bank's offices offer Saturday lobby and drive-thru hours, primarily until noon, including one in a low-income census tract and the two located in low-cost grocery stores with lobby hours until 7:00 p.m.

## Community Development Services

The bank provides a relatively high level of community development services in the assessment area. In total, 33 employees provided 54 community development services to 26 different organizations benefitting the bank's assessment areas. This represents an increase in activities since the previous evaluation. Services were provided to organizations promoting affordable housing, community services for LMI families and children, and economic development. Impactful services are described below:

- Financial expertise was provided by four employees to an organization that provides owner-occupied affordable housing to LMI residents in the assessment area.

- Financial expertise was provided by two employees to an organization with the primary purpose of revitalizing and stabilizing a portion of Jefferson City that primarily contains LMI census tracts and has been designated as an EEZ.

- Services related to an employee's expertise at the bank were provided to a community health center that provides healthcare, where recipients are primarily LMI.

- Financial expertise was provided to an economic development organization that provides financing to small businesses in the assessment area.

# NONMETROPOLITAN STASTICAL AREA MISSOURI

*(Limited-Scope Review)*

## DESCRIPTION OF INSTITUTION'S OPERATIONS IN MILLER COUNTY

The bank operates one office in this assessment area, which includes the entirety of Miller County. Since the last examination, the bank did not open, acquire, or close any branches in this assessment area. As previously noted, only 1.7 percent of the bank's deposits are in Miller County. Further, based on its limited branch network and number of competing financial institutions in the assessment area, the bank is only positioned to deliver financial services to the areas closest to its branch. The following tables 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 | 1,420 | 1,158 | 1,255 | 2,596 | **6,429** |
| | 22.1% | 18.0% | 19.5% | 40.4% | **100%** |
| Household Population | 2,198 | 1,691 | 1,771 | 3,792 | **9,452** |
| | 23.3% | 17.9% | 18.7% | 40.1% | **100%** |

| | Assessment Area Demographics by Geography Income Level | | | | | |
|---|---|---|---|---|---|---|
| **Dataset** | **Geography Income Level** | | | | | **TOTAL** |
| | **Low-** | **Moderate-** | **Middle-** | **Upper-** | **Unknown-** | |
| Census Tracts | 0 | 1 | 3 | 1 | 0 | **5** |
| | 0.0% | 20.0% | 60.0% | 20.0% | 0.0% | **100%** |
| Family Population | 0 | 1,245 | 3,531 | 1,653 | 0 | **6,429** |
| | 0.0% | 19.4% | 54.9% | 25.7% | 0.0% | **100%** |
| Household Population | 0 | 2,101 | 5,196 | 2,155 | 0 | **9,452** |
| | 0.0% | 22.2% | 55.0% | 22.8% | 0.0% | **100%** |
| Business Institutions | 0 | 209 | 538 | 186 | 0 | **933** |
| | 0.0% | 22.4% | 57.7% | 19.9% | 0.0% | **100%** |

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MILLER COUNTY

### LENDING TEST

The bank's Lending Test performance in this assessment area is consistent with the bank's performance in the Jefferson City assessment area, as detailed in the following table. For more information relating to the bank's Lending Test performance in this assessment area, see the tables in *Appendix C*.

| Lending Test Criteria | Performance |
|---|---|
| Lending Activity | Consistent |
| Distribution of Loans by Borrower's Profile | Consistent |
| Geographic Distribution of Loans | Consistent |
| Community Development Lending Activities | Below |
| **OVERALL** | **Consistent** |

During the review period, the bank made no community development loans in Miller County, below the performance in the Jefferson City assessment area.

### INVESTMENT TEST

During the review period, the bank made four new investments totaling $10,750, which included a $5,000 donation to a food bank serving LMI persons. Additionally, prior to the review period, the bank made 13 investments in Miller County totaling $3.4 million that were still outstanding. Given the bank's limited presence in Miller County, Investment Test performance is significant, consistent with the performance in the Jefferson City assessment area.

### SERVICE TEST

The bank's Service Test performance in this assessment area is consistent with its performance in the Jefferson City assessment area, as detailed in the following table:

| Service Test Criteria | Performance |
|---|---|
| Accessibility of Delivery Systems | Below |
| Changes in Branch Locations | Consistent |
| Reasonableness of Business Hours and Services | Consistent |
| Community Development Services | Consistent |
| **OVERALL** | **Consistent** |

While reasonably accessible, the single branch in Miller County is not located near the county's sole moderate tract. Pertaining to community development services, along with the three services conducted in Miller County, several services performed for organizations in the Jefferson City assessment area have a reach that benefits the residents of neighboring Miller County.

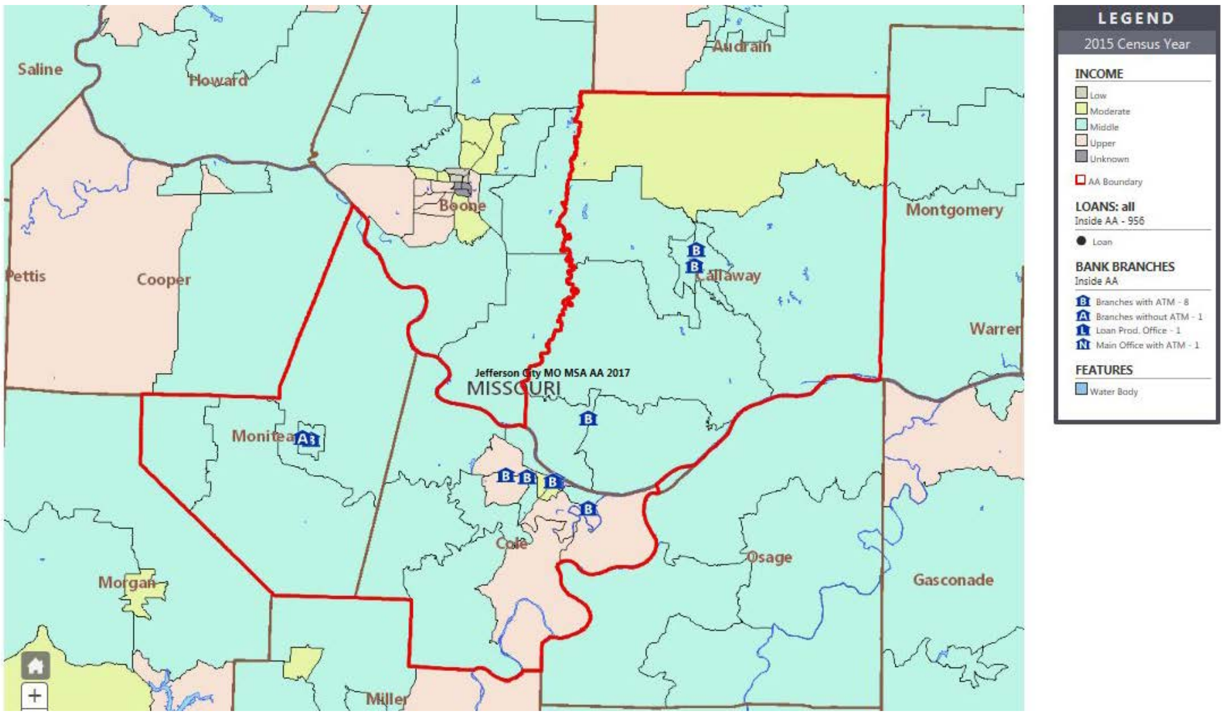
## SCOPE OF EXAMINATION TABLES

| SCOPE OF EXAMINATION | | | |
|---|---|---|---|
| **TIME PERIOD REVIEWED** | January 1, 2016 – December 31, 2017 for HMDA, small business, and consumer motor vehicle lending.<br><br>July 18, 2016 – September 31, 2018 for community development loans, investment, and service activities | | |
| | | | |
| **FINANCIAL INSTITUTION**<br><br>The Central Trust Bank<br>Jefferson City, Missouri | | | **PRODUCTS REVIEWED**<br><br>HMDA<br>Small Business<br>Consumer Motor Vehicle |
| | | | |
| **AFFILLIATES** | **AFFILIATE RELATIONSHIP** | | **PRODUCTS REVIEWED** |
| Mortgage Central<br>Jefferson City, Missouri | Bank Subsidiary | | HMDA |
| Online Central<br>Jefferson City, Missouri | Bank Subsidiary | | HMDA |
| CBJC, LLC<br>Jefferson City, Missouri | Bank Subsidiary | | Investments |

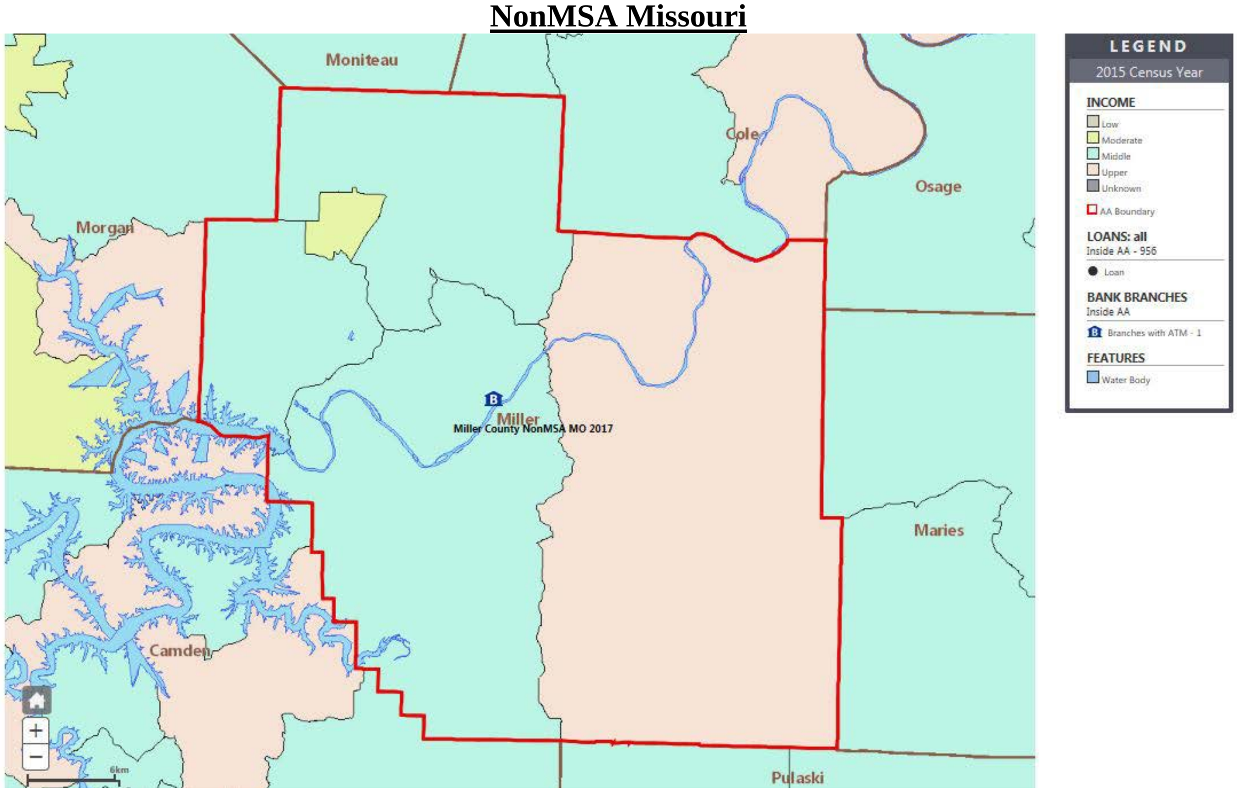
| ASSESSMENT AREA – EXAMINATION SCOPE DETAILS | | | | | |
|---|---|---|---|---|---|
| **Assessment Area** | **Rated Area** | **# of Offices** | **Deposits ($000s) As of June 30, 2018** | **Branches Visited** | **CRA Review Procedures** |
| Jefferson City | Missouri | 12 | $1,501,602 | 1 | Full Scope |
| NonMSA | Missouri | 1 | $25,657 | 0 | Limited Scope |
| **OVERALL** | | **13** | **$1,527,259** | **1** | **1 Full Scope** |

## ASSESSMENT AREA MAPS

### <u>Jefferson City Assessment Area</u>




### <u>NonMSA Missouri</u>



## PRIMARY YEAR (2017) LENDING PERFORMANCE TABLES FOR LIMITED-SCOPE REVIEW ASSESSMENT AREAS

### NonMSA Missouri

| Summary of Lending Activity<br>January 1, 2017 through December 31, 2017 | | | | |
|---|---|---|---|---|
| **Loan Type** | **#** | **%** | **$(000s)** | **%** |
| Home Improvement | 6 | 6.7% | $94 | 1.4% |
| Home Purchase | 23 | 25.6% | $3,411 | 50.6% |
| Refinancing | 7 | 7.8% | $1,648 | 24.4% |
| **TOTAL HMDA** | **36** | **40.0%** | **$5,153** | **76.4%** |
| **Small Business** | **47** | **52.2%** | **$1,512** | **22.4%** |
| **Consumer Motor Vehicle** | **7** | **7.8%** | **$80** | **1.2%** |
| **TOTAL LOANS** | **90** | **100%** | **$6,745** | **100%** |

| Distribution of Loans Inside Assessment Area by Borrower Income<br>January 1, 2017 through December 31, 2017 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Borrower Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Home Purchase | 1 | 4.3% | 1 | 4.3% | 3 | 13.0% | 18 | 78.3% | 0 | 0.0% | **23** | **100%** |
| Refinance | 0 | 0.0% | 1 | 14.3% | 3 | 42.9% | 3 | 42.9% | 0 | 0.0% | **7** | **100%** |
| Home Improvement | 2 | 33.3% | 3 | 50.0% | 0 | 0.0% | 1 | 16.7% | 0 | 0.0% | **6** | **100%** |
| **TOTAL HMDA** | **3** | **8.3%** | **5** | **13.9%** | **6** | **16.7%** | **22** | **61.1%** | 0 | 0.0% | **36** | **100%** |
| Family Population | 22.1% | | 18.0% | | 19.5% | | 40.4% | | 0.0% | | **100%** | |
| 2017 HMDA Aggregate | 4.0% | | 13.6% | | 17.9% | | 47.1% | | 17.4% | | **100%** | |

| **Distribution of Loans Inside Assessment Area by Business Revenue<br>January 1, 2017 through December 31, 2017** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **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 | 42 | 89.4% | 2 | 4.3% | 1 | 2.1% | **45** | **95.7%** |
| Greater than $1 Million/Unknown | 2 | 4.3% | 0 | 0.0% | 0 | 0.0% | **2** | **4.3%** |
| **TOTAL** | **44** | **93.6%** | **2** | **4.3%** | **1** | **2.1%** | **47** | **100%** |
| Dun & Bradstreet Businesses <u><</u> $1 Million | | | | | | | **89.6%** | |
| Small Business Aggregate <u><</u> $1 Million | | | | | | | **56.5%** | |

| **Distribution of Bank Loans Inside Assessment Area by Income Level of Borrower<br>January 1, 2017 through December 31, 2017** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Borrower Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Consumer Motor Vehicle Loans | 0 | 0.0% | 2 | 28.6% | 1 | 14.3% | 4 | 57.1% | 0 | 0.0% | **7** | **100%** |
| Household Population | 23.3% | | 17.9% | | 18.7% | | 40.1% | | 0.0% | | **100%** | |

| **Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2017 through December 31, 2017** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Geography Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Home Purchase | 0 | 0.0% | 4 | 17.4% | 10 | 43.5% | 9 | 39.1% | 0 | 0.0% | **23** | **100%** |
| Refinance | 0 | 0.0% | 0 | 0.0% | 4 | 57.1% | 3 | 42.9% | 0 | 0.0% | **7** | **100%** |
| Home Improvement | 0 | 0.0% | 1 | 16.7% | 4 | 66.7% | 1 | 16.7% | 0 | 0.0% | **6** | **100%** |
| **TOTAL HMDA** | **0** | **0.0%** | **5** | **13.9%** | **18** | **50.0%** | **13** | **36.1%** | **0** | **0.0%** | **36** | **100%** |
| Owner-Occupied Housing | 0.0% | | 17.2% | | 58.6% | | 24.2% | | 0.0% | | **100%** | |
| 2017 HMDA Aggregate | 0.0% | | 19.6% | | 62.9% | | 17.0% | | 0.5% | | **100%** | |

| **Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2017 through December 31, 2017** | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Geography Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Small Business Loans | 0 | 0.0% | 5 | 10.6% | 18 | 38.3% | 24 | 51.1% | 0 | 0.0% | **47** | **100%** |
| Business Institutions | 0.0% | | 22.4% | | 57.7% | | 19.9% | | 0.0% | | **100%** | |
| 2017 Small Business Aggregate | 0.0% | | 16.7% | | 65.1% | | 15.7% | | 2.5% | | **100%** | |

| Distribution of Bank Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2017 through December 31, 2017 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Geography Income Level** | | | | | | | | | | **TOTAL** |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | |
| Consumer Motor Vehicle Loans | 0 | 0.0% | 1 | 14.3% | 5 | 71.4% | 1 | 14.3% | 0 | 0.0% | **7** | **100%** |
| Household Population | 0.0% | | 22.2% | | 55.0% | | 22.8% | | 0.0% | | **100%** | |

## SECONDARY YEAR (2016) LENDING PERFORMANCE TABLES FOR ALL ASSESSMENT AREAS

### Jefferson City Assessment Area

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

| Loan Type | # | % | $(000s) | % |
|---|---|---|---|---|
| Home Improvement | 98 | 8.3% | $5,805 | 4.0% |
| Home Purchase | 362 | 30.5% | $52,662 | 36.0% |
| Multifamily Housing | 6 | 0.5% | $2,117 | 1.5% |
| Refinancing | 198 | 16.7% | $31,494 | 21.6% |
| **TOTAL HMDA** | **664** | **55.9%** | **$92,078** | **63.0%** |
| **Small Business** | **479** | **40.3%** | **$53,456** | **36.6%** |
| **Consumer Motor Vehicle** | **45** | **3.8%** | **$627** | **0.4%** |
| **TOTAL LOANS** | **1,188** | **100%** | **$146,161** | **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 | 28 | 7.7% | 85 | 23.5% | 71 | 19.6% | 142 | 39.2% | 36 | 9.9% | **362** | **100%** |
| Refinance | 6 | 3.0% | 40 | 20.2% | 36 | 18.2% | 103 | 52.0% | 13 | 6.6% | **198** | **100%** |
| Home Improvement | 10 | 10.2% | 17 | 17.3% | 25 | 25.5% | 38 | 38.8% | 8 | 8.2% | **98** | **100%** |
| Multifamily | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 6 | 100.0% | **6** | **100%** |
| **TOTAL HMDA** | **44** | **6.6%** | **142** | **21.4%** | **132** | **19.9%** | **283** | **42.6%** | **63** | **9.5%** | **664** | **100%** |
| Family Population | 18.1% | | 18.4% | | 25.0% | | 38.6% | | 0.0% | | **100%** | |
| 2016 HMDA Aggregate | 7.8% | | 20.3% | | 21.6% | | 34.3% | | 16.1% | | **100%** | |

| Distribution of Loans Inside Assessment Area by Business Revenue<br>January 1, 2016 through December 31, 2016 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenue** | **Loan Amounts in $000s** | | | | | | **TOTAL** | |
| | **≤$100** | | **>$100 and ≤$250** | | **>$250 and ≤$1,000** | | | |
| $1 Million or Less | 248 | 51.8% | 27 | 5.6% | 27 | 5.6% | **302** | **63.0%** |
| Greater than $1 Million/Unknown | 106 | 22.1% | 39 | 8.1% | 32 | 6.7% | **177** | **37.0%** |
| **TOTAL** | **354** | **73.9%** | **66** | **13.8%** | **59** | **12.3%** | **479** | **100%** |
| Dun & Bradstreet Businesses ≤ $1 Million | | | | | | | **88.6%** | |
| Small Business Aggregate ≤ $1 Million | | | | | | | **50.6%** | |

| Distribution of Bank Loans Inside Assessment Area by Income Level of Borrower<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Borrower Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Consumer Motor Vehicle Loans | 3 | 6.7% | 12 | 26.7% | 11 | 24.4% | 15 | 33.3% | 4 | 8.9% | **45** | **100%** |
| Household Population | 22.9% | | 16.1% | | 19.2% | | 41.7% | | 0.0% | | **100%** | |

| Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Geography Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Home Purchase | 1 | 0.3% | 18 | 5.0% | 261 | 72.1% | 82 | 22.7% | 0 | 0.0% | **362** | **100%** |
| Refinance | 4 | 2.0% | 9 | 4.5% | 144 | 72.7% | 41 | 20.7% | 0 | 0.0% | **198** | **100%** |
| Home Improvement | 1 | 1.0% | 9 | 9.2% | 63 | 64.3% | 25 | 25.5% | 0 | 0.0% | **98** | **100%** |
| Multifamily | 2 | 33.3% | 2 | 33.3% | 1 | 16.7% | 1 | 16.7% | 0 | 0.0% | **6** | **100%** |
| **TOTAL HMDA** | **8** | **1.2%** | **38** | **5.7%** | **469** | **70.6%** | **149** | **22.4%** | **0** | **0.0%** | **664** | **100%** |
| Owner-Occupied Housing | 0.6% | | 6.8% | | 72.4% | | 20.2% | | 0.0% | | **100%** | |
| 2016 HMDA Aggregate | 0.8% | | 5.6% | | 70.9% | | 22.8% | | 0.0% | | **100%** | |

| Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Small Business Loans | 46 | 9.6% | 46 | 9.6% | 303 | 63.3% | 84 | 17.5% | 0 | 0.0% | **479** | **100%** |
| Business Institutions | 9.3% | | 11.9% | | 60.3% | | 18.6% | | 0.0% | | **100%** | |
| 2016 Small Business Aggregate | 7.1% | | 10.6% | | 62.8% | | 18.0% | | 1.4% | | **100%** | |

| Distribution of Bank Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Consumer Motor Vehicle Loans | 0 | 0.0% | 0 | 0.0% | 37 | 82.2% | 8 | 17.8% | 0 | 0.0% | **45** | **100%** |
| Household Population | 2.2% | | 10.3% | | 69.2% | | 18.3% | | 0.0% | | **100%** | |

## NonMSA Missouri

| Summary of Lending Activity<br>January 1, 2016 through December 31, 2016 | | | | |
|---|---|---|---|---|
| **Loan Type** | **#** | **%** | **$(000s)** | **%** |
| Home Improvement | 10 | 10.6% | $477 | 7.8% |
| Home Purchase | 17 | 18.1% | $2,446 | 40.0% |
| Refinancing | 14 | 14.9% | $1,775 | 29.1% |
| **TOTAL HMDA** | **41** | **43.6%** | **$4,698** | **76.9%** |
| **Small Business** | **42** | **44.7%** | **$1,252** | **20.5%** |
| **Consumer Motor Vehicle** | **11** | **11.7%** | **$161** | **2.6%** |
| **TOTAL LOANS** | **94** | **100%** | **$6,111** | **100%** |

| Distribution of Loans Inside Assessment Area by Borrower Income<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Borrower Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Home Purchase | 0 | 0.0% | 2 | 11.8% | 5 | 29.4% | 8 | 47.1% | 2 | 11.8% | **17** | **100%** |
| Refinance | 0 | 0.0% | 2 | 14.3% | 4 | 28.6% | 6 | 42.9% | 2 | 14.3% | **14** | **100%** |
| Home Improvement | 1 | 10.0% | 2 | 20.0% | 3 | 30.0% | 3 | 30.0% | 1 | 10.0% | **10** | **100%** |
| **TOTAL HMDA** | **1** | **2.4%** | **6** | **14.6%** | **12** | **29.3%** | **17** | **41.5%** | **5** | **12.2%** | **41** | **100%** |
| Family Population | 18.2% | | 20.2% | | 23.3% | | 38.2% | | 0.0% | | **100%** | |
| 2016 HMDA Aggregate | 3.7% | | 13.7% | | 18.6% | | 47.0% | | 17.0% | | **100%** | |

| Distribution of Loans Inside Assessment Area by Business Revenue<br>January 1, 2016 through December 31, 2016 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Gross Revenue** | **Loan Amounts in $000s** | | | | | | **TOTAL** | |
| | **≤$100** | | **>$100 and ≤$250** | | **>$250 and ≤$1,000** | | | |
| $1 Million or Less | 38 | 90.5% | 1 | 2.4% | 1 | 2.4% | **40** | **95.2%** |
| Greater than $1 Million/Unknown | 2 | 4.8% | 0 | 0.0% | 0 | 0.0% | **2** | **4.8%** |
| **TOTAL** | **40** | **95.2%** | **1** | **2.4%** | **1** | **2.4%** | **42** | **100%** |
| Dun & Bradstreet Businesses ≤ $1 Million | | | | | | | **91.5%** | |
| Small Business Aggregate ≤ $1 Million | | | | | | | **51.1%** | |

| Distribution of Bank Loans Inside Assessment Area by Income Level of Borrower<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Borrower Income Level** | | | | | | | | | | **TOTAL** | |
| | **Low-** | | **Moderate-** | | **Middle-** | | **Upper-** | | **Unknown** | | | |
| Consumer Motor Vehicle Loans | 3 | 27.3% | 1 | 9.1% | 2 | 18.2% | 5 | 45.5% | 0 | 0.0% | **11** | **100%** |
| Household Population | 22.6% | | 17.0% | | 21.1% | | 39.2% | | 0.0% | | **100%** | |

| Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Home Purchase | 0 | 0.0% | 0 | 0.0% | 17 | 100.0% | 0 | 0.0% | 0 | 0.0% | **17** | **100%** |
| Refinance | 0 | 0.0% | 0 | 0.0% | 13 | 92.9% | 1 | 7.1% | 0 | 0.0% | **14** | **100%** |
| Home Improvement | 0 | 0.0% | 0 | 0.0% | 9 | 90.0% | 1 | 10.0% | 0 | 0.0% | **10** | **100%** |
| **TOTAL HMDA** | **0** | **0.0%** | **0** | **0.0%** | **39** | **95.1%** | **2** | **4.9%** | **0** | **0.0%** | **41** | **100%** |
| Owner-Occupied Housing | 0.0% | | 0.0% | | 81.9% | | 18.1% | | 0.0% | | **100%** | |
| 2016 HMDA Aggregate | 0.0% | | 0.0% | | 68.8% | | 30.8% | | 0.4% | | **100%** | |

| Distribution of Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Small Business Loans | 0 | 0.0% | 0 | 0.0% | 37 | 88.1% | 5 | 11.9% | 0 | 0.0% | **42** | **100%** |
| Business Institutions | 0.0% | | 0.0% | | 82.3% | | 17.7% | | 0.0% | | **100%** | |
| 2016 Small Business Aggregate | 0.0% | | 0.0% | | 72.9% | | 24.9% | | 2.1% | | **100%** | |

| Distribution of Bank Loans Inside Assessment Area by Income Level of Geography<br>January 1, 2016 through December 31, 2016 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Geography Income Level | | | | | | | | | | TOTAL | |
| | Low- | | Moderate- | | Middle- | | Upper- | | Unknown | | | |
| Consumer Motor Vehicle Loans | 0 | 0.0% | 0 | 0.0% | 10 | 90.9% | 1 | 9.1% | 0 | 0.0% | **11** | **100%** |
| Household Population | 0.0% | | 0.0% | | 83.4% | | 16.6% | | 0.0% | | **100%** | |

## 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 non-metropolitan 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 upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

**Community development**: An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for low- or moderate-income individuals (LMI); (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 low- or moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate- and middle-income individuals and geographies.

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

**Demographics**: The statistical characteristics of human populations (such as age, race, sex, income, etc.) 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 non-relatives 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 that 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 the income of applications, 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**: Is calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

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

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

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

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

**Metropolitan area (MA)**: A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of a 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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.