PUBLIC DISCLOSURE

May 1, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Montgomery Bank
RSSD #613558

One Montgomery Bank Plaza
Sikeston, Missouri 63801

Federal Reserve Bank of St. Louis

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

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

TABLE OF CONTENTS

INSTITUTION'S CRA RATING: This institution is rated <u>SATISFACTORY</u>.

The Lending Test is rated:	Satisfactory
The Community Development Test is rated:	**Outstanding**

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

- The loan-to-deposit (LTD) ratio is reasonable given the institution's size, financial condition, and credit needs of the assessment areas.

- A majority of loans and other lending-related activities are in the assessment areas.

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

- The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas.

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

- The bank's overall community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas. Responsiveness is noted through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

- During the COVID-19 pandemic, the bank responded to the needs of the community through its participation in the CARES Act[1] Paycheck Protection Program (PPP). The bank's participation in the PPP was also considered in the bank's rating.

SCOPE OF EXAMINATION

The bank's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC's) intermediate small bank procedures, which entail two performance tests: the Lending Test and the Community Development Test. Bank performance under these tests is rated at the institution level. The bank operates 12 offices in three delineated assessment areas within the state of Missouri.

---

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

The following table details the number of branch offices, breakdown of deposits, and the CRA review procedures applicable to each assessment area completed as part of this evaluation. Deposit information in the following table, as well as deposit information throughout this evaluation, is taken from the Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report data as of June 30, 2022.

Assessment Area	Branches		Deposits as of June 30, 2022		Review Procedures
	#	%	$ (000s)	%	
St. Louis	7	58.3%	$292,673	28.1%	Full Scope
Southeast Missouri	2	16.7%	$367,479	35.2%	Full Scope
Cape Girardeau	3	25.0%	$381,981	36.7%	Full Scope
OVERALL	**12**	**100%**	**$1,042,223**	**100%**	**3 Full Scope**

Although the number of branches varies, Montgomery Bank maintains a similar level of deposits across each assessment area. Given this fact, between the three full-scope assessment areas, the partial St. Louis metropolitan statistical area (MSA) assessment area was given the most weight in forming performance conclusions, because that is where the majority of the bank's branches and lending activity are concentrated.

Lending performance was evaluated using residential real estate and small business loans, with small business lending given higher weight in assessing performance given the bank's commercial lending focus. These products were selected due to their significance within the bank's short-term and long-term business strategy.

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

Performance Criterion	Time Period
LTD Ratio	September 30, 2019 – December 31, 2022
Assessment Area Concentration	January 1, 2021 – December 31, 2021
Loan Distribution by Borrower's Profile	
Geographic Distribution of Loans	
Response to Written CRA Complaints	August 12, 2019 – April 30, 2023
Community Development Activities	

Lending Test analyses often entail comparisons of bank performance to assessment area demographics and the performance of other lenders, based on HMDA and CRA aggregate lending data. Unless otherwise noted, assessment area demographics are based on 2015 American Community Survey (ACS) data; certain business demographics are based on 2021 Dun &

Bradstreet data. When analyzing bank performance by comparing lending activity to both demographic data and aggregate lending data, greater emphasis is generally placed on the aggregate lending data, because it is expected to describe many factors impacting lenders within an assessment area. Aggregate lending datasets are updated annually and are, therefore, expected to predict more relevant comparisons. In addition, the bank's lending levels were evaluated in relation to those of comparable financial institutions operating in the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $1.1 billion to $2.8 billion as of December 31, 2022.

As part of the Community Development Test, the bank's performance was evaluated using the following criteria, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas.

- The number and dollar amount of community development loans.
- The number and dollar amount of qualified investments and grants.
- The extent to which the bank provides community development services.

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

To augment this evaluation, four community contact interviews were conducted with members of the local community to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment areas. Information from these interviews also assisted in evaluating the bank's responsiveness to identified community credit needs and community development opportunities. Key details from these community contact interviews are included in the *Description of Assessment Area* section applicable to the assessment area in which they were conducted.

DESCRIPTION OF INSTITUTION

Montgomery Bank is a full-service retail bank offering deposit products, in addition to consumer and commercial loans. The bank is a wholly owned subsidiary of Montgomery Bancorporation, Inc., a single-bank holding company. Both entities are headquartered in Sikeston, Missouri.

Montgomery Bank operates 12 offices, including its headquarters, across three assessment areas, all within the state of Missouri. Of these offices, ten have full-service automated teller machines (ATMs) on site, and two have cash dispensing-only ATMs, in addition to one stand-alone full-service ATM. Since Montgomery Bank's last CRA examination in August 2019, one branch in Sikeston was converted to a limited-service drive-thru-only facility. Additionally, during the third quarter of 2022, the bank acquired Meramec Valley Bank, Valley Park, Missouri, a community bank with two locations in West St. Louis County, which are included in the branching structure mentioned above. Both locations were located inside the bank's St. Louis assessment area. To

complement its physical offices, the bank utilizes online and mobile banking in which customers can digitally manage loan and deposit accounts. Between its physical and online presence, the bank continues to be well positioned to meet the financial needs of all three of its assessment areas.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its customers, and the bank appeared capable of meeting the credit needs of its assessment areas based on its available resources and financial products. As of March 31, 2023, Montgomery Bank reported assets of approximately $1.3 billion. As of the same date, loans and leases outstanding were $833.8 million (64.3 percent of total assets), and deposits totaled approximately $1.1 billion.

The bank's loan portfolio composition by credit category is displayed in the following table:

Distribution of Total Loans as of March 31, 2023		
Credit Category	Amount ($000s)	Percentage of Total Loans
Construction and Development	$66,569	8.0%
Commercial Real Estate	$262,532	31.5%
Multifamily Residential	$27,520	3.3%
1–4 Family Residential	$268,651	32.2%
Farmland	$49,073	5.9%
Farm Loans	$23,927	2.9%
Commercial and Industrial	$128,711	15.4%
Loans to Individuals	$4,784	0.6%
Total Other Loans	$2,060	0.2%
TOTAL	**$833,827**	**100%**

As indicated in the preceding table, the bank's primary lending focus includes loans secured by 1–4 family residential properties (32.2 percent), commercial real estate (31.5 percent), and loans for commercial and industrial development (15.4 percent). The bank also originates and sells a significant volume of loans related to residential real estate. Because these loans are sold on the secondary market shortly after origination, this activity would not be captured in the table.

The bank received a Satisfactory rating at its previous CRA evaluation conducted on August 12, 2019, by this Reserve Bank.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Montgomery Bank meets the standards for a satisfactory Lending Test rating under the intermediate small bank procedures, which evaluate bank performance under the following five criteria, as applicable.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's average LTD ratio compared to that of similarly sized regional peers. The average LTD ratio represents a 14-quarter average, dating back to the bank's last CRA evaluation.

LTD Ratio Analysis			
Name	**Headquarters**	**Asset Size ($000s) as of December 31, 2022**	**Average LTD Ratio**
Montgomery Bank	Sikeston, Missouri	$1,300,407	80.3%
Regional Banks	Marshall, Missouri	$1,123,137	84.7%
	Perryville, Missouri	$2,796,291	79.2%
	Poplar Bluff, Missouri	$1,357,568	86.7%

Based on data from the previous table, the bank's level of lending in relation to the level of deposits is comparable to its peers. During the review period, the bank's quarterly LTD ratio experienced a fluctuating trend, with a high point during the third quarter of 2019 at 98.7 percent and a low point during the first quarter of 2022 at 67.7 percent. One of the peer banks exhibited a generally decreasing trend, while the other two banks had a generally stable trend. The bank also slightly outperformed one of the three banks and was slightly less than but comparable to the other two banks. Therefore, compared to data from other banks and considering the generally steady trend and high average ratio, Montgomery Bank's LTD is reasonable given the bank's size, financial condition, and credit needs of its assessment areas.

Assessment Area Concentration

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

Lending Inside and Outside of Assessment Area January 1, 2021 through December 31, 2021						
Loan Type	**Inside Assessment Area**		**Outside Assessment Area**		**TOTAL**	
HMDA	430	84.1%	81	15.9%	**511**	**100.0%**
	$63,795	63.4%	$36,869	36.6%	**$100,664**	**100.0%**
Small Business	463	88.2%	62	11.8%	**525**	**100.0%**
	$38,742	83.2%	$7,832	16.8%	**$46,574**	**100.0%**
TOTAL LOANS	**893**	**86.2%**	**143**	**13.8%**	**1,036**	**100.0%**
	$102,537	**69.6%**	**$44,701**	**30.4%**	**$147,238**	**100.0%**

A majority of the bank's loans were made in the bank's assessment areas. As shown, 86.2 percent of the total loans were made inside the assessment area, accounting for 69.6 percent of the dollar volume of total loans.

Borrower and Geographic Distribution

Overall, performance by borrower's income/revenue profile is reasonable, based on the analyses of lending in the St. Louis, Southeast Missouri, and Cape Girardeau assessment areas, as displayed in the following table:

Assessment Area	Loan Distribution by Borrower's Profile
St. Louis	Excellent
Southeast Missouri	Reasonable
Cape Girardeau	Reasonable
OVERALL	**REASONABLE**

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

Assessment Area	Geographic Distribution of Loans
St. Louis	Reasonable
Southeast Missouri	Reasonable
Cape Girardeau	Reasonable
OVERALL	**REASONABLE**

Responses to Complaints

No CRA-related complaints were filed against the bank during this review period (August 12, 2019 through April 30, 2023).

COMMUNITY DEVELOPMENT TEST

Montgomery Bank's performance under the Community Development Test is rated Outstanding. The bank demonstrates excellent responsiveness to the community development needs of its assessment areas, considering the bank's capacity and the need and availability of such opportunities for community development.

Assessment Area	Community Development Test Performance Conclusions
St. Louis	Excellent
Southeast Missouri	Adequate
Cape Girardeau	Excellent
OVERALL	**EXCELLENT**

As previously noted, greater weight was given to performance in the St. Louis assessment area. Given that fact, the bank also displayed adequate performance in its Southeast Missouri assessment area, and community development performance in the Cape Girardeau assessment area was also excellent. During the review period, the bank made qualifying loans, donations, and services to individuals and organizations in its assessment areas, as shown in the following table:

Total Community Development Activities Inside Assessment Areas August 12, 2019 – April 30, 2023		
Community Development Component	**#**	**$**
Loans	41	$109.1 million
Investments, Current and Prior	3	$2.4 million
Current Period	2	$2.2 million
Prior Period, Still Outstanding	1	$153,525
Donations	97	$220,823
Services	115 services	36 organizations	

The qualified community development activities included activities for all of the community development purposes, including affordable housing, economic development for small businesses and small farms, community services for LMI individuals, and revitalization and stabilization of LMI geographies and distressed/underserved areas. Of the qualified community development

loans, three were loans originated by the bank through the PPP for $8.5 million. Montgomery Bank maintained a limited portfolio of community development equity investments but did triple its dollar volume of community development equity investments since the last evaluation. Additionally, the bank excelled at providing community development loans, which increased $40.0 million since the last evaluation, and qualified donations increased over $50,000 since the last evaluation.

In addition to adequately meeting the community development needs of its own assessment areas, the bank made six community development loans, totaling $24.8 million, outside of its assessment areas. Five of the six qualified loans occurred in the state of Missouri.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

PARTIAL ST. LOUIS, MISSOURI-ILLINOIS METROPOLITAN STASTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates 7 of its 12 offices (58.3 percent) in this assessment area, located as follows:

Number of Branch Locations by Census Tract Classification			
Low-Income	**Moderate-Income**	**Middle-Income**	**Upper-Income**
0	1	3	3

All seven branches are full-service, and five locations include full-service ATMs. Two branches include cash dispensing-only ATMs. Since the last examination, the bank acquired two branches in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to the assessment area.

General Demographics

The assessment area comprises the counties of St. Charles, St. Louis, Jefferson, and St. Louis City in their entireties, all of which are a part of the St. Louis MSA. The table below depicts the population by county according to 2015 ACS data.

County	Population
St. Louis City	317,850
St. Louis	1,001,327
St. Charles	374,805
Jefferson	221,577
Total Assessment Area Population	**1,915,559**

The bank has a high level of competition in its St. Louis assessment area. The bank ranks 36th of 69 institutions in terms of market share with approximately 0.3 percent of area deposits. Credit needs in the area vary and include a blend of consumer and commercial credit products; needs for both individuals and businesses have been further exacerbated by impacts of the COVID-19 pandemic.

Income and Wealth Demographics

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

Assessment Area Demographics by Geography Income Level						
Dataset	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	57	89	134	142	4	**426**
	13.4%	20.9%	31.5%	33.3%	0.9%	**100%**
Family Population	37,150	90,837	165,597	191,984	1,439	**487,007**
	7.6%	18.7%	34.0%	39.4%	0.3%	**100%**

As shown above, 34.3 percent of the census tracts in the assessment area are LMI, but only 26.3 percent of the family population resides in these tracts. These tracts are primarily located in and around St. Louis City.

Based on 2015 ACS data, the median family income for the assessment area was $79,704, which is above the median family income for the entire St. Louis MSA ($77,265) and the state of Missouri ($66,438) as a whole. More recently, the FFIEC estimates the 2021 median family income for the St. Louis MSA to be $84,700. The following table displays the distribution of assessment area families by income level compared to the St. Louis MSA and the state of Missouri.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	101,648	81,572	95,255	208,532	**487,007**
	20.9%	16.8%	19.6%	42.8%	**100.0%**
St. Louis MSA	155,627	125,318	144,204	294,177	**719,326**
	21.6%	17.4%	20.1%	40.9%	**100.0%**
Missouri	327,271	274,380	319,267	609,088	**1,530,006**
	21.4%	17.9%	20.9%	39.8%	**100.0%**

According to the figures shown above, 37.7 percent of the families in the assessment area are LMI, which is slightly less than the LMI level in the St. Louis MSA (39.0 percent) and in Missouri overall (39.3 percent). The percentage of families living below the poverty level in the assessment area, 9.1 percent, falls below the 9.6 percent level for the St. Louis MSA and the 11.1 percent level for the state of Missouri. Considering these factors, the assessment area appears slightly more affluent than the St. Louis MSA and the state of Missouri.

Housing Demographics

The following table provides details of the housing demographics of the assessment area compared to the St. Louis MSA and the state of Missouri.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	$167,575	33.7	$837
St. Louis MSA	$157,100	35.1	$815
Missouri	$138,400	34.8	$746

The assessment area's overall housing and rental stock is more costly than the St. Louis MSA and significantly more expensive than the state of Missouri, as shown in the table above. However, there is also a significant amount of variation of housing prices within the assessment area. For instance, the median housing value in suburban St. Charles County is $188,200. The median housing value in St. Louis City, which includes the region's urban core, is much lower at $120,400. Median rental rates show a similar level of variation. This ultimately suggests that "affordable" single or multifamily housing will vary in cost across the assessment area.

Industry and Employment Demographics

The St. Louis assessment area is home to a large and diverse economy. County business patterns indicate the region employs 916,641 people both in high-skill, high-wage jobs, such as healthcare and social assistance (18.7 percent of total jobs), manufacturing (9.2 percent), and finance/insurance (6.1 percent), and in lower-wage industries, such as retail trade (10.1 percent) and accommodation/food service (9.8 percent).

The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area, the St. Louis MSA, and the state of Missouri.

Unemployment Levels				
Dataset	Time Period (Annual Average)			
	2019	2020	2021	YTD 2022 (through August)
Assessment Area	2.9%	6.4%	4.5%	3.1%
St. Louis MSA	3.1%	6.7%	4.6%	3.4%
Missouri	3.1%	6.1%	4.4%	3.1%

As shown in the preceding table, unemployment levels increased in the assessment area from 2019 to 2020 and then decreased after 2020. The assessment area unemployment levels were consistently comparable to the larger MSA and state overall. Like the housing statistics, there is considerable variation in the unemployment levels within the assessment area. For instance, between 2019 and YTD 2022, the unemployment rate was between 1.3 percent and 2.9 percent lower in St. Charles County than it was in St. Louis City.

Community Contact Information

For this assessment area, two community contact interviews were conducted. The first contact specializes in affordable housing, and the second community contact specializes in economic and business development.

The contact specializing in affordable housing indicated funding sustainability was historically a barrier for organizations like theirs that are trying to create systemic changes in the community. Specifically, the contact indicated there is not enough subsidy for private investment other than low-income housing tax credits (LIHTCs), which are hyper competitive and hard to secure. Increased housing costs have added to the challenges in making affordable housing available to LMI individuals. The contact noted that the entity's first-time homebuyer program recently shut down due to increased home prices. Further, increased interest rates have created challenges for LMI individuals attempting to enter the housing market. Regarding opportunities for banks to serve LMI individuals, the contact mentioned a local equity fund that allows banks to invest in a risk-based sharing pool to serve LMI individuals. The contact also noted that banks could offer specialized products designed for LMI individuals and that banks need loan officers dedicated to LMI borrowers and/or incentive for loan officers to focus on LMI individuals. In closing, the contact mentioned there is a lack of access to capital for small businesses, particularly for minority-owned small businesses.

The contact focused on economic development mentioned that new home construction is limited due to stagnant population growth and that there is an increase in multifamily housing in the urban core. Further, they stated that the housing stock in the urban core of St. Louis is older, and many homes may require significant repair to restore to livable conditions. The age of the housing stock, coupled with limited programming for LMI home renovation, contributes to challenges in affordable housing availability for LMI individuals. The contact noted there are some LIHTCs available to serve LMI individuals. Regarding small business needs, the contact mentioned that access to debt capital is hard to find in St. Louis, and there are barriers for minority businesses resulting in a significant number of self-funded minority-owned businesses.

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

LENDING TEST

The distribution of loans reflects excellent penetration among businesses of different sizes and among borrowers of different income levels. Similarly, the geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Overall, the bank's loan distribution by borrower's profile is excellent, based on the bank's small business and HMDA lending performance. Greater emphasis is placed on performance in the small business loan category given the bank's emphasis on commercial lending and overall lending volume.

The analysis included a review of the bank's lending to businesses of different sizes within the assessment area. The following table shows the distribution of 2021 small business loans by loan amount and business revenue size compared to Dun & Bradstreet and aggregate data.

Small Business Loans by Revenue and Loan Size Assessment Area: St. Louis							
	2021						
Business Revenue and Loan Size	Count			Dollars			Total Businesses
	Bank		Aggregate	Bank		Aggregate	
	#	%	%	$ (000s)	$ %	$ %	%
Business Revenue $1 Million or Less	205	78.8%	50.3%	$12,523	57.0%	28.6%	90.0%
Business Revenue Over $1 Million/ Unknown	55	21.2%	49.7%	$9,430	43.0%	71.4%	10.0%
Business Revenue TOTAL	260	100.0%	100.0%	$21,953	100.0%	100.0%	100.0%
Loan Size $100,000 or Less	205	78.8%	89.3%	$6,298	28.7%	27.7%	
Loan Size $100,001–$250,000	30	11.5%	5.3%	$4,928	22.4%	17.0%	
Loan Size $250,001–$1 Million	25	9.6%	5.4%	$10,727	48.9%	55.3%	
Loan Size Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
Loan Size TOTAL	260	100.0%	100.0%	$21,953	100.0%	100.0%	
Loan Size Revenue $1 Million or Less $100,000 or Less	182	88.8%		$5,412	43.2%		
Loan Size Revenue $1 Million or Less $100,001–$250,000	13	6.3%		$2,101	16.8%		
Loan Size Revenue $1 Million or Less $250,001–$1 Million	10	4.9%		$5,010	40.0%		
Loan Size Revenue $1 Million or Less Over $1 Million	0	0.0%		$0	0.0%		
Loan Size Revenue $1 Million or Less TOTAL	205	100.0%		$12,523	100.0%		

The bank made 78.8 percent of its small business loans to businesses with $1 million or less in revenue. That percentage is significantly higher than aggregate performance (50.3 percent) and slightly below the Dun & Bradstreet population metric of 90.0 percent. Therefore, the bank's

lending penetration to small businesses in a competitive market reflects excellent performance. Additionally, 182 of the bank's 205 loans to small businesses (88.8 percent) were for $100,000 or less, indicating the bank's willingness to meet the smaller-dollar credit needs of area businesses, further demonstrating excellent performance.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by the FFIEC ($84,700 for the St. Louis MSA as of 2021). The following table shows the distribution of HMDA reported loans by borrower income level compared to family population income demographics for the assessment area. Additionally, 2021 aggregate data for the assessment area is displayed.

Product Type	Borrower Income Levels	2021						
		Count			Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	44	44.9%	9.7%	5,565	32.7%	5.0%	20.9%
	Moderate	37	37.8%	19.3%	6,475	38.1%	13.7%	16.7%
	Middle	7	7.1%	18.1%	1,360	8.0%	16.8%	19.6%
	Upper	9	9.2%	29.9%	3,479	20.5%	42.5%	42.8%
	Unknown	1	1.0%	23.0%	114	0.7%	22.0%	0.0%
	TOTAL	**98**	**100.0%**	**100.0%**	**16,993**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	5	10.2%	6.4%	523	6.0%	3.2%	20.9%
	Moderate	14	28.6%	15.4%	1,613	18.5%	10.3%	16.7%
	Middle	11	22.4%	19.8%	2,102	24.1%	16.5%	19.6%
	Upper	18	36.7%	35.7%	4,313	49.6%	47.2%	42.8%
	Unknown	1	2.0%	22.7%	153	1.8%	22.7%	0.0%
	TOTAL	**49**	**100.0%**	**100.0%**	**8,704**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	6.3%	0	0.0%	3.5%	20.9%
	Moderate	0	0.0%	14.5%	0	0.0%	10.0%	16.7%
	Middle	1	9.1%	21.6%	40	5.0%	18.0%	19.6%
	Upper	10	90.9%	52.9%	754	95.0%	60.2%	42.8%
	Unknown	0	0.0%	4.7%	0	0.0%	8.3%	0.0%
	TOTAL	**11**	**100.0%**	**100.0%**	**794**	**100.0%**	**100.0%**	**100.0%**

Borrower Distribution of RRE Loans
Assessment Area: St. Louis

Multifamily	Low	0	0.0%	0.2%	0	0.0%	0.0%	20.9%
	Moderate	0	0.0%	0.2%	0	0.0%	0.0%	16.7%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.6%
	Upper	0	0.0%	2.8%	0	0.0%	0.5%	42.8%
	Unknown	0	0.0%	96.8%	0	0.0%	99.5%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	5.5%	0	0.0%	2.6%	20.9%
	Moderate	0	0.0%	13.8%	0	0.0%	7.4%	16.7%
	Middle	0	0.0%	19.9%	0	0.0%	13.3%	19.6%
	Upper	0	0.0%	56.9%	0	0.0%	74.1%	42.8%
	Unknown	0	0.0%	4.0%	0	0.0%	2.7%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	10.4%	0	0.0%	4.5%	20.9%
	Moderate	3	30.0%	13.9%	145	19.9%	8.9%	16.7%
	Middle	2	20.0%	22.8%	149	20.4%	13.5%	19.6%
	Upper	4	40.0%	46.2%	336	46.0%	62.4%	42.8%
	Unknown	1	10.0%	6.8%	100	13.7%	10.8%	0.0%
	TOTAL	**10**	**100.0%**	**100.0%**	**730**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	3.2%	0	0.0%	2.4%	20.9%
	Moderate	0	0.0%	1.8%	0	0.0%	2.2%	16.7%
	Middle	0	0.0%	1.0%	0	0.0%	1.6%	19.6%
	Upper	0	0.0%	0.8%	0	0.0%	1.1%	42.8%
	Unknown	0	0.0%	93.1%	0	0.0%	92.7%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	49	29.2%	7.5%	6,088	22.4%	3.8%	20.9%
	Moderate	54	32.1%	16.6%	8,233	30.2%	11.1%	16.7%
	Middle	21	12.5%	19.1%	3,651	13.4%	15.9%	19.6%
	Upper	41	24.4%	34.2%	8,882	32.6%	43.7%	42.8%
	Unknown	3	1.8%	22.7%	367	1.3%	25.6%	0.0%
	TOTAL	**168**	**100.0%**	**100.0%**	**27,221**	**100.0%**	**100.0%**	**100.0%**

The bank's percentage of lending to low-income borrowers (29.2 percent) is higher than the low-income family population figure (20.9 percent) and significantly higher than the 2021 aggregate lending level to low-income borrowers (7.5 percent), reflecting excellent performance. Similarly, the bank's level of lending to moderate-income borrowers (32.1 percent) is above the moderate-income family population figure (30.2 percent) and significantly above the aggregate lending level (16.6 percent), reflecting excellent performance. The bank's combined LMI HMDA lending percentage is 61.3 percent, which significantly exceeds the population (37.6 percent) and the aggregate (24.1 percent) metrics, making the bank's overall borrower distribution performance excellent.

Geographic Distribution of Loans

As noted previously, the St. Louis assessment area includes 57 low- and 89 moderate-income census tracts, representing 34.3 percent of all assessment area census tracts. Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration throughout these LMI census tracts, based on the small business and HMDA loan categories.

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

Geographic Distribution of Small Business Loans (2021) Assessment Area: St. Louis							
Census Tract Income Level	Bank Small Business Loans				% of Businesses	Aggregate of Peer Data	
	#	#%	$ 000s	$ %		%	$ %
Low	3	1.2%	$351	1.6%	6.5%	5.9%	5.6%
Moderate	21	8.1%	$2,196	10.0%	18.1%	17.2%	17.8%
Middle	91	35.0%	$8,493	38.7%	31.2%	31.2%	29.2%
Upper	142	54.6%	$10,662	48.6%	43.1%	44.4%	44.8%
Unknown	3	1.2%	$252	1.1%	1.1%	1.2%	2.5%
TOTAL	260	100.0%	$21,954	100.0%	100.0%	100.0%	100.0%

The bank's performance within low-income geographies (1.2 percent) was below demographic data (6.5 percent), as well as aggregate performance (5.9 percent), reflecting poor performance. The bank's performance within moderate-income geographies (8.1 percent) was below demographic data (18.1 percent), as well as aggregate performance (17.2 percent), also reflecting poor performance. When combined, 9.3 percent of the bank's small business lending occurred in LMI geographies, which is less than the population of small businesses within LMI geographies (24.6 percent) and aggregate performance (23.1 percent). This reflects overall poor performance.

The following table displays the geographic distribution of 2021 HMDA loans compared to owner-occupied housing demographics for the assessment area and aggregate data.

		2021						
Geographic Distribution of RRE Loans **Assessment Area: St. Louis**								
Product Type	Tract Income Levels	Count			Dollar			Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	4	4.1%	2.9%	438	2.6%	1.4%	4.8%
	Moderate	35	35.7%	16.1%	4,324	25.4%	9.8%	17.3%
	Middle	39	39.8%	38.4%	6,743	39.7%	33.3%	35.9%
	Upper	20	20.4%	42.4%	5,488	32.3%	55.2%	41.8%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
	TOTAL	**98**	**100.0%**	**100.0%**	**16,993**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	1	2.0%	1.0%	143	1.6%	0.5%	4.8%
	Moderate	9	18.4%	9.9%	1,122	12.9%	6.2%	17.3%
	Middle	11	22.4%	36.5%	1,306	15.0%	29.4%	35.9%
	Upper	28	57.1%	52.5%	6,133	70.5%	63.7%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.2%
	TOTAL	**49**	**100.0%**	**100.0%**	**8,704**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	1.7%	0	0.0%	1.4%	4.8%
	Moderate	1	9.1%	9.7%	40	5.0%	6.3%	17.3%
	Middle	0	0.0%	32.8%	0	0.0%	27.4%	35.9%
	Upper	10	90.9%	55.7%	754	95.0%	64.9%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.2%
	TOTAL	**11**	**100.0%**	**100.0%**	**794**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	15.5%	0	0.0%	5.1%	12.3%
	Moderate	0	0.0%	30.6%	0	0.0%	21.6%	20.1%
	Middle	0	0.0%	35.3%	0	0.0%	28.4%	34.1%
	Upper	0	0.0%	17.2%	0	0.0%	43.2%	32.5%
	Unknown	0	0.0%	1.4%	0	0.0%	1.7%	1.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	1.3%	0	0.0%	0.6%	4.8%
	Moderate	0	0.0%	7.8%	0	0.0%	4.8%	17.3%
	Middle	0	0.0%	31.0%	0	0.0%	22.6%	35.9%
	Upper	0	0.0%	59.7%	0	0.0%	72.0%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	2.8%	0	0.0%	1.1%	4.8%
	Moderate	0	0.0%	13.6%	0	0.0%	6.1%	17.3%
	Middle	1	10.0%	34.2%	25	3.4%	22.7%	35.9%
	Upper	9	90.0%	49.3%	705	96.6%	70.0%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.0%	0.2%
	TOTAL	**10**	**100.0%**	**100.0%**	**730**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	8.2%	0	0.0%	6.5%	4.8%
	Moderate	0	0.0%	25.2%	0	0.0%	18.1%	17.3%
	Middle	0	0.0%	41.6%	0	0.0%	41.0%	35.9%
	Upper	0	0.0%	24.9%	0	0.0%	34.3%	41.8%
	Unknown	0	0.0%	0.1%	0	0.0%	0.1%	0.2%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	5	3.0%	1.8%	581	2.1%	1.1%	4.8%
	Moderate	45	26.8%	12.3%	5,486	20.2%	8.3%	17.3%
	Middle	51	30.4%	37.0%	8,074	29.7%	30.8%	35.9%
	Upper	67	39.9%	48.7%	13,080	48.1%	59.6%	41.8%
	Unknown	0	0.0%	0.2%	0	0.0%	0.3%	0.2%
	TOTAL	**168**	**100.0%**	**100.0%**	**27,221**	**100.0%**	**100.0%**	**100.0%**

As shown in the preceding table, the bank's lending in low-income geographies (3.0 percent) fell below the population metric (4.8 percent) but was higher than the aggregate metric (1.8 percent), reflecting reasonable performance. The bank's lending in moderate-income geographies (26.8 percent) exceeded the population demographic (17.3 percent) and aggregate (12.3 percent) metrics, reflecting excellent performance. Total HMDA lending performance in LMI geographies is 29.8 percent, which is above the population demographic (22.1 percent) and over double that of aggregate performance (14.1 percent), resulting in overall excellent performance.

Lastly, based on reviews from both loan categories, the bank generated loan activity in 28.6 percent of all assessment census tracts. While not all census tracts contain HMDA and/or small business loans, the urban core of the St. Louis MSA, where the majority of LMI census tracts are located, contains both small business and home mortgage loans in many of the LMI census tracts. Therefore, no conspicuous lending gaps were noted in LMI areas.

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates excellent responsiveness to community development needs in this assessment area, considering the bank's capacity and the availability of opportunities. The bank has addressed the community development needs of the assessment area through community development loans, qualified investments, and community development services.

Unlike in the bank's other assessment areas, the bank has a minimal market presence (0.3 percent of market deposits) in the St. Louis assessment area when compared to competitors. Nonetheless, the bank's lending, investments, donations, and services performance is strong.

The number and dollar amount of community development activities are shown in the following table, with noteworthy activities described further below.

Community Development Activities St. Louis Assessment Area		
Community Development Component	**#**	**$**
Loans	21	$61.8 million
Investments, Current and Prior	3	$2.4 million
Current Period	2	$2.2 million
Prior Period, Still Outstanding	1	$153,525
Donations	82	$182,240
Services	69 Services	18 Organizations

The bank's community development activity reached public, private, nonprofit, and academic organizations. The bank had the following noteworthy activities:

- Extended or renewed six loans for approximately $11.5 million for the development and/or financing of apartments that rent for below area fair-market rates.

- Financed a $2.6 million multifaceted commercial real estate project located in a downtown St. Louis federal opportunity zone to promote economic development in the city of St. Louis.

- Made ten donations totaling $26,500 to a nonprofit organization that provides social services to LMI individuals in the metropolitan St. Louis community.

- Made four donations totaling $10,000 to a coalition working to promote increased investment in LMI and minority communities in the assessment area.

- Provided targeted financial education to LMI children and adults by creating innovative partnerships with neighborhood improvement groups, religious institutions, and municipalities.

SOUTHEAST MISSOURI NONMETROPOLITAN STATISTICAL AREA

(Full-Scope Review)

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

Bank Structure

The bank operates 2 of its 12 offices (16.7 percent) in this assessment area, located as follows:

Number of Branch Locations by Census Tract Classification			
Low-Income	**Moderate-Income**	**Middle-Income**	**Upper-Income**
0	0	1	1

One of the bank's branches in this assessment is a full-service location, and the other location is a limited-service location. Additionally, both branches include full-service ATMs. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to the assessment area.

General Demographics

The assessment area comprises the counties of Scott and New Madrid in their entireties, which are located in a nonMSA portion of the state of Missouri. The table below depicts the population of the counties according to 2015 ACS data.

County	Population
Scott County	39,061
New Madrid County	18,411
Total Assessment Area Population	**57,472**

The bank has a moderate level of competition in its Southeast Missouri nonMSA assessment area. The bank ranks first of 12 institutions in terms of market share with approximately 25.0 percent of area deposits. Credit needs in the area vary and include a blend of consumer, business, and agriculture credit products.

Income and Wealth Demographics

The following table reflects the number of census tracts by 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	0	3	12	1	0	**16**
	0.0%	18.8%	75.0%	6.3%	0.0%	**100%**
Family Population	0	2,730	11,994	751	0	**15,475**
	0.0%	17.6%	77.5%	4.9%	0.0%	**100%**

As shown above, there are no low-income census tracts in the assessment area. However, 18.8 percent of the census tracts in the assessment area are moderate income, which is slightly above the family population residing in those tracts. One moderate-income tract is located in the city of Sikeston, and two tracts are in the southern portion of New Madrid County. Furthermore, four middle-income census tracts in New Madrid County are designated as distressed due to poverty.

Based on 2015 ACS data, the median family income for the assessment area was $50,559, which is slightly below the median family income for nonMSA portions of Missouri ($52,816) and lower than the median family income for the state of Missouri ($66,438) as a whole. More recently, the FFIEC estimates the 2021 median family income for nonMSA Missouri to be $55,700. The following table displays the distribution of assessment area families by income level compared to the nonMSA parts of Missouri.

Family Population by Income Level					
Dataset	Low-	Moderate-	Middle-	Upper-	TOTAL
Assessment Area	3,557	2,885	3,028	6,005	**15,475**
	23.0%	18.6%	19.6%	38.8%	**100.0%**
NonMSA Missouri	81,150	72,084	84,064	159,212	**396,510**
	20.5%	18.2%	21.2%	40.2%	**100.0%**
Missouri	327,271	274,380	319,267	609,088	**1,530,006**
	21.4%	17.9%	20.9%	39.8%	**100.0%**

According to the figures shown above, 41.6 percent of the families in the assessment area are LMI, which is slightly higher than the LMI family level in nonMSA Missouri (38.7 percent) and Missouri overall (39.3 percent). The percentage of families living below the poverty level in the assessment area, 16.3 percent, is higher than the 14.2 percent level for nonMSA Missouri and the

11.1 percent level of the state of Missouri. Considering these factors, the assessment area appears slightly less affluent than nonMSA Missouri and the state of Missouri overall.

Housing Demographics

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

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	$87,805	42.7	$571
NonMSA Missouri	$100,293	38.0	$611
Missouri	$138,400	34.8	$746

The assessment area's overall housing and rental stock is more affordable than nonMSA Missouri as a whole. The median housing value and median gross rent in the assessment area is also significantly less expensive than the state of Missouri.

Industry and Employment Demographics

The Southeast Missouri nonMSA assessment area maintains a moderately vibrant economy. According to county business patterns, the region employs 20,320 people in private industries such as manufacturing (19.2 percent of total jobs), retail trade (12.6 percent), and transportation and warehousing (7.4 percent).

The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area, nonMSA Missouri, and the state of Missouri as a whole.

Unemployment Levels				
Dataset	Time Period (Annual Average)			
	2019	2020	2021	YTD 2022 (through August)
Assessment Area	3.6%	5.4%	4.1%	3.1%
NonMSA Missouri	3.8%	6.1%	4.4%	3.4%
Missouri	3.1%	6.1%	4.4%	3.1%

As shown in the preceding table, unemployment levels increased in the assessment area from 2019 to 2020 and then decreased after 2020. The assessment area unemployment levels were consistently below the nonMSA figure during the review period. The assessment area

unemployment levels were above the state of Missouri average in 2019, below the state of Missouri average in 2020 and 2021, and the same as the state of Missouri average in year-to-date 2022.

Community Contact Information

For this assessment area, one community contact interview was referenced. According to the contact, small, rural towns in the region, primarily in southern counties of the Missouri Bootheel, like New Madrid County, where urban towns are less prominent, are struggling economically. The contact explained one reason for this is that many of these counties rely on agriculture and small farms to help support the local communities and their people, but in the past several years, many of the small farms have been purchased and consolidated. Contrary to the rural parts of the county, the contact mentioned that some of the larger regional towns such as Poplar Bluff, Sikeston, and Cape Girardeau are doing well and have been growing due to strong urban centers that attract businesses and customers.

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

LENDING TEST

The overall distribution of loans by borrower's income profile reflects reasonable penetration among borrowers of different income levels and businesses of different sizes. Similarly, the bank's overall geographic distribution of loans reflects reasonable penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

The bank's loan distribution by borrower's profile is reasonable based on performance from the two products reviewed. The bank's small business loan distribution is excellent, and the bank's HMDA loan distribution by borrower's profile is reasonable overall. While greater significance is placed on performance in the small business category, performance in the HMDA loan category was also considered, resulting in overall reasonable performance.

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

Small Business Loans by Revenue and Loan Size Assessment Area: Southeast Missouri							
		2021					
		Count		**Dollars**			**Total Businesses**
Business Revenue and Loan Size		**Bank**	**Aggregate**	**Bank**		**Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue	$1 Million or Less	67	89.3%	61.7%	$3,825	71.8%	45.6%	87.0%
	Over $1 Million/ Unknown	8	10.7%	38.3%	$1,500	28.2%	54.4%	13.0%
	TOTAL	**75**	**100.0%**	**100.0%**	**$5,325**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	64	85.3%	88.1%	$1,886	35.4%	29.2%	
	$100,001–$250,000	5	6.7%	6.7%	$790	14.8%	19.2%	
	$250,001–$1 Million	6	8.0%	5.2%	$2,649	49.7%	51.6%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**75**	**100.0%**	**100.0%**	**$5,325**	**100.0%**	**100.0%**	

Loan Size	**Revenue $1 Million or Less**	$100,000 or Less	59	88.1%		$1,506	39.4%	
		$100,001–$250,000	3	4.5%		$441	11.5%	
		$250,001–$1 Million	5	7.5%		$1,878	49.1%	
		Over $1 Million	0	0.0%		$0	0.0%	
		TOTAL	**67**	**100.0%**		**$3,825**	**100.0%**	

According to the preceding table, 89.3 percent of the bank's small business loans were to businesses with revenues of $1 million or less, far exceeding the aggregate level of 61.7 percent and slightly exceeding the demographic metric of 87.0 percent. Additionally, 59 of the bank's 67 loans to small businesses (88.1 percent) were for $100,000 or less, demonstrating the bank's willingness to meet the smaller-dollar credit needs of area businesses. Therefore, the bank's level of lending to small businesses is excellent.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the area median family income figure as estimated by the FFIEC ($55,700 for nonMSA Missouri as of 2021). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2021 aggregate performance for the assessment area.

Borrower Distribution of RRE Loans **Assessment Area: Southeast Missouri**								
Product Type	**Borrower Income Levels**	**2021**						
		Count			**Dollar**			**Families**
		Bank		**HMDA Aggregate**	**Bank**		**HMDA Aggregate**	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	2	14.3%	5.6%	175	10.0%	3.4%	23.0%
	Moderate	2	14.3%	22.4%	174	9.9%	17.5%	18.6%
	Middle	2	14.3%	18.7%	293	16.7%	18.5%	19.6%
	Upper	7	50.0%	26.7%	1,062	60.5%	36.0%	38.8%
	Unknown	1	7.1%	26.5%	50	2.9%	24.6%	0.0%
	TOTAL	**14**	**100.0%**	**100.0%**	**1,754**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	3.9%	0	0.0%	2.0%	23.0%
	Moderate	2	6.9%	12.8%	105	3.2%	9.1%	18.6%
	Middle	3	10.3%	16.8%	301	9.2%	12.9%	19.6%
	Upper	19	65.5%	45.6%	2,412	73.5%	53.9%	38.8%
	Unknown	5	17.2%	20.9%	465	14.2%	22.0%	0.0%
	TOTAL	**29**	**100.0%**	**100.0%**	**3,283**	**100.0%**	**100.0%**	**100.0%**

Home Improvement	Low	2	16.7%	8.9%	69	14.5%	3.9%	23.0%
	Moderate	3	25.0%	17.8%	67	14.1%	12.3%	18.6%
	Middle	1	8.3%	13.3%	45	9.5%	8.0%	19.6%
	Upper	5	41.7%	53.3%	195	41.1%	71.1%	38.8%
	Unknown	1	8.3%	6.7%	99	20.8%	4.8%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**475**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	23.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	18.6%
	Middle	0	0.0%	4.5%	0	0.0%	1.8%	19.6%
	Upper	0	0.0%	9.1%	0	0.0%	3.4%	38.8%
	Unknown	1	100.0%	86.4%	380	100.0%	94.8%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**380**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	23.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	18.6%
	Middle	0	0.0%	45.5%	0	0.0%	36.0%	19.6%
	Upper	0	0.0%	36.4%	0	0.0%	39.7%	38.8%
	Unknown	0	0.0%	18.2%	0	0.0%	24.4%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	0	0.0%	4.2%	0	0.0%	2.5%	23.0%
	Moderate	1	12.5%	16.7%	20	8.0%	8.1%	18.6%
	Middle	2	25.0%	33.3%	52	20.8%	34.3%	19.6%
	Upper	3	37.5%	29.2%	131	52.4%	42.8%	38.8%
	Unknown	2	25.0%	16.7%	47	18.8%	12.3%	0.0%
	TOTAL	**8**	**100.0%**	**100.0%**	**250**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	23.0%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	18.6%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	19.6%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	38.8%
	Unknown	0	0.0%	100.0%	0	0.0%	100.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	4	6.3%	4.8%	244	4.0%	2.6%	23.0%
	Moderate	8	12.5%	17.6%	366	6.0%	13.2%	18.6%
	Middle	8	12.5%	17.8%	691	11.3%	15.5%	19.6%
	Upper	34	53.1%	34.8%	3,800	61.9%	42.7%	38.8%
	Unknown	10	15.6%	24.9%	1,041	16.9%	26.0%	0.0%
	TOTAL	**64**	**100.0%**	**100.0%**	**6,142**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (6.3 percent) is significantly below the low-income family population figure (23.0 percent) but

higher than the 2021 aggregate lending level to low-income borrowers (4.8 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (12.5 percent) is below the moderate-income family population figure (18.6 percent), as well as the aggregate lending level (17.6 percent), reflecting poor performance. Overall, the bank's HMDA loan distribution by borrower's profile is reasonable when considering both income categories.

Geographic Distribution of Loans

Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration based on the bank's small business and HMDA lending activity.

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

Geographic Distribution of Small Business Loans (2021) Assessment Area: Southeast Missouri							
Census Tract Income Level	Bank Small Business Loans				% of Businesses	Aggregate of Peer Data	
	#	#%	$ 000s	$ %		%	$ %
Low	0	0.0%	$0	0.0%	0.0%	0.0%	0.0%
Moderate	8	10.7%	$264	5.0%	22.0%	18.2%	18.0%
Middle	55	73.3%	$3,975	74.6%	66.8%	73.9%	75.7%
Upper	12	16.0%	$1,087	20.4%	11.2%	7.0%	6.2%
Unknown	0	0.0%	$0	0.0%	0.0%	0.9%	0.1%
TOTAL	75	100.0%	$5,326	100.0%	100.0%	100.0%	100.0%

The bank made 10.7 percent of its small business loans in moderate-income census tracts. That figure was lower than the 2021 aggregate performance (18.2 percent) and also lower than the demographic data metric (22.0 percent), reflecting poor performance. Thus, the bank's geographic distribution of small business loans is poor.

The following table displays the geographic distribution of the 2021 HMDA loans compared to owner-occupied housing demographics for the assessment area and 2021 aggregate data.

Geographic Distribution of RRE Loans Assessment Area: Southeast Missouri							
Product Type	Tract Income Levels	2021					
		Count			Dollar		Owner-Occupied Units
		Bank		HMDA Aggregate	Bank		HMDA Aggregate
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	2	14.3%	11.3%	363	20.7%	10.0%	15.1%
	Middle	6	42.9%	80.6%	431	24.6%	80.2%	79.5%
	Upper	6	42.9%	8.1%	960	54.7%	9.8%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**14**	**100.0%**	**100.0%**	**1,754**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	3	10.3%	8.8%	493	15.0%	7.3%	15.1%
	Middle	21	72.4%	82.2%	1,944	59.2%	80.8%	79.5%
	Upper	5	17.2%	9.1%	846	25.8%	12.0%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**29**	**100.0%**	**100.0%**	**3,283**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	3	25.0%	13.3%	107	22.5%	8.1%	15.1%
	Middle	6	50.0%	71.1%	234	49.3%	69.3%	79.5%
	Upper	3	25.0%	15.6%	134	28.2%	22.6%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**12**	**100.0%**	**100.0%**	**475**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	1	100.0%	36.4%	380	100.0%	30.4%	39.4%
	Middle	0	0.0%	50.0%	0	0.0%	57.4%	41.5%
	Upper	0	0.0%	13.6%	0	0.0%	12.2%	19.1%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**380**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	9.1%	0	0.0%	2.0%	15.1%
	Middle	0	0.0%	90.9%	0	0.0%	98.0%	79.5%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	12.5%	0	0.0%	15.0%	15.1%
	Middle	6	75.0%	66.7%	135	54.0%	50.0%	79.5%
	Upper	2	25.0%	20.8%	115	46.0%	34.9%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**8**	**100.0%**	**100.0%**	**250**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	0	0.0%	18.8%	0	0.0%	21.5%	15.1%
	Middle	0	0.0%	75.0%	0	0.0%	74.9%	79.5%
	Upper	0	0.0%	6.3%	0	0.0%	3.7%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	Moderate	9	14.1%	10.7%	1,343	21.9%	9.6%	15.1%
	Middle	39	60.9%	80.4%	2,744	44.7%	79.4%	79.5%
	Upper	16	25.0%	8.9%	2,055	33.5%	11.0%	5.4%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**64**	**100.0%**	**100.0%**	**6,142**	**100.0%**	**100.0%**	**100.0%**

The overall analysis of HMDA loans reveals reasonable lending performance to borrowers residing in LMI geographies in this assessment area. The bank originated nine HMDA loans (14.1 percent) in the three moderate-income census tracts in this assessment area, which is higher than 2021 aggregate lending data performance (10.7 percent) and slightly lower than 2021 demographic data (15.1 percent). This represents reasonable performance.

Lastly, based on reviews from both loan categories, the bank had loan activity in each of the 16 assessment census tracts. Therefore, no conspicuous lending gaps were noted in LMI areas.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates adequate responsiveness to community development needs in this assessment area, considering the bank's capacity and the need and availability of such opportunities for community development (the assessment area lacks a substantive number of organizations and opportunities with the capacity for partnerships). The bank addressed these needs through community development loans, donations, and services. The number and dollar amount of community development activities are shown in the following table, with noteworthy activities described further below.

Community Development Activities Southeast Missouri Assessment Area			
Community Development Component	#		$
Loans	12		$25.6 million
Investments, Current and Prior	0		$0
Donations	8		$20,333
Services	11 Services	5 organizations	

As shown in the preceding table, the bank had an adequate number of activities that qualified for community development. Furthermore, the activities were distributed throughout both counties in the assessment area. The bank had the following noteworthy activities:

- The bank extended three loans for $1.7 million to provide agriculture loans to a small family farm located in a moderate-income census tract, which promoted and sustained economic development.

- The bank originated and renewed five loans during the review period totaling approximately $15.0 million to a skilled nursing facility in the assessment area that provides essential community services to LMI individuals.

- The bank made donations totaling $8,333 to an organization established to foster economic growth and regional community engagement in the assessment area.

- The bank made donations totaling $2,000 to a nonprofit organization in the assessment area that provides financial counseling to area LMI senior adults.

- Financial services and expertise were provided to multiple boards of directors (boards) and commissions tasked with improving the economic and social conditions of the assessment area.

PARTIAL CAPE GIRARDEAU, MISSOURI-ILLINOIS METROPOLITAN STATISTICAL AREA

(Full-Scope Review)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE CAPE GIRARDEAU ASSESSMENT AREA

Bank Structure

The bank operates 3 of its 12 offices (25.0 percent) in this assessment area, located as follows:

Number of Branch Locations by Census Tract Classification			
Low-Income	**Moderate-Income**	**Middle-Income**	**Upper-Income**
0	0	2	1

All three of the bank's branches in this assessment are full-service locations and include full-service ATMs. Further, the bank deploys an additional stand-alone full-service ATM in this assessment area. Based on its branch network and other service delivery systems, the bank is well positioned to deliver financial services to the assessment area.

General Demographics

The assessment area comprises the county of Cape Girardeau in its entirety, which is part of the Cape Girardeau, Missouri-Illinois MSA. The assessment area has a population of 77,606 according to 2015 ACS data and includes one low- and three moderate-income census tracts.

The bank has a moderate level of competition in its Cape Girardeau assessment area. The bank ranks second of 15 institutions in terms of market share with approximately 12.5 percent of area deposits.

Credit needs in the assessment area, as noted by community contacts, include affordable housing stock and related financing.

Income and Wealth Demographics

The following table reflects the number of census tracts by the 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	9	3	0	**16**
	6.3%	18.8%	56.3%	18.8%	0.0%	**100%**
Family Population	624	1,417	13,026	3,924	0	**18,991**
	3.3%	7.5%	68.6%	20.7%	0.0%	**100%**

As shown above, 25.1 percent of the census tracts in the assessment area are LMI, but only 10.8 percent of the family population resides in these tracts. The LMI tracts are primarily located in and around the city of Cape Girardeau.

Based on 2015 ACS data, the median family income for the assessment area was $64,830, which is above the median family income for the entire Cape Girardeau MSA ($61,197) and lower than the median family income for the state of Missouri as a whole ($66,438). More recently, the FFIEC estimates the 2021 median family income for the Cape Girardeau MSA to be $62,800. The following table displays the distribution of assessment area families by income level compared to the Cape Girardeau MSA and the state of Missouri.

Family Population by Income Level					
Dataset	**Low-**	**Moderate-**	**Middle-**	**Upper-**	**TOTAL**
Assessment Area	3,714	3,011	4,049	8,217	**18,991**
	19.6%	15.9%	21.3%	43.3%	**100.0%**
Cape Girardeau MSA	5,220	4,024	5,114	9,637	**23,995**
	21.8%	16.8%	21.3%	40.1%	**100.0%**
Missouri	327,271	274,380	319,267	609,088	**1,530,006**
	21.4%	17.9%	20.9%	39.8%	**100.0%**

According to the figures shown above, 35.5 percent of the families in the assessment area are LMI, which is slightly less than the LMI family level in the Cape Girardeau MSA (38.6 percent) and Missouri overall (39.3 percent). The percentage of families living below the poverty level in the assessment area, 11.3 percent, falls below the 13.1 percent level for the Cape Girardeau MSA and is in line with the 11.1 percent level of the state of Missouri. Considering these factors, the assessment area appears slightly more affluent than the Cape Girardeau MSA and the state of Missouri's affluence level.

Housing Demographics

The following table provides details of the housing demographics of the assessment area compared to the Cape Girardeau MSA and the state of Missouri.

Housing Demographics			
Dataset	Median Housing Value	Affordability Ratio	Median Gross Rent (Monthly)
Assessment Area	$142,284	32.3	$682
Cape Girardeau MSA	$128,719	33.4	$655
Missouri	$138,400	34.8	$746

The assessment area's overall housing and rental stock is more costly than the Cape Girardeau MSA. The median housing value in the assessment area is slightly more expensive than the state of Missouri, while the median gross rent (monthly) is less expensive than the state of Missouri.

Industry and Employment Demographics

The Cape Girardeau assessment area maintains a moderately vibrant economy. According to county business patterns, the region employs 35,484 people in private industries such as healthcare and social assistance (26.5 percent of total jobs), retail trade (16.9 percent), and accommodation/food service (12.3 percent).

The following table details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area, the Cape Girardeau MSA, and the state of Missouri.

Unemployment Levels				
Dataset	Time Period (Annual Average)			
	2019	2020	2021	YTD 2022 (through August)
Assessment Area	2.8%	5.1%	3.6%	2.7%
Cape Girardeau MSA	3.0%	5.4%	3.8%	2.9%
Missouri	3.1%	6.1%	4.4%	3.1%

As shown in the preceding table, unemployment levels increased in the assessment area from 2019 to 2020 and then decreased after 2020. The assessment area unemployment levels were consistently below the larger Cape Girardeau MSA and the state of Missouri overall.

Montgomery Bank	CRA Performance Evaluation
Sikeston, Missouri	May 1, 2023

Community Contact Information

For this assessment area, one community contact interview was conducted. The contact represents a leading business and community development organization in the assessment area that spends the majority of its time on issues of economic development and community betterment working to improve the quality of life for the area the organization serves.

The contact stated that overall, the Cape Girardeau economy is very strong and stable and that Cape Girardeau is the largest community in Southeast Missouri and is the healthcare, education, and retail nexus for the region. The contact mentioned that the economy has bounced back well from the COVID-19 pandemic. According to the contact, Southeast Missouri overall has high poverty rates. While Cape Girardeau itself fares very well, surrounding counties have more difficulty. Of the 22 counties in Southeast Missouri, 7 are considered persistently in poverty. Within Cape Girardeau itself, there are pockets that struggle more, including South Cape. Regarding population dynamics, the contact stated that Cape Girardeau is a college community, so the 18–24-year-old population is very strong. The region is struggling with a decline in the 25–40-year-old workforce population, as many younger people move to larger metropolitan areas after college. Most of the population moving into the area are older, retired individuals.

The contact stated that overall, banks make mortgage products accessible to LMI individuals. The contact sees marketing regularly from banks in the community for things like first-time homebuyer programs and educational opportunities for LMI people to learn more about banking access. The contact stated that the main struggle in the assessment area is access to housing inventory that is accessible to LMI individuals, even if the banks have accessible programs. Regarding the housing stock, the contact noted that most of the affordable housing is concentrated in historic and older neighborhoods. Cape Girardeau is land locked by the state border and the river, so most new home development is happening in surrounding suburbs and counties. The majority of newer homes being built are far out of the price range for LMI individuals. Because of Cape Girardeau being a college town, the area has a high concentration of rental units compared to other areas. The contact specifically noted that there is not enough affordable housing in the area to meet demand. Labor force participation rates have been down, contributing to very low unemployment and not enough people to meet the job market demand. The new trend toward online college has also had an effect, as there are significantly fewer on-campus students at Southeast Missouri State University than pre-pandemic.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE CAPE GIRARDEAU ASSESSMENT AREA

LENDING TEST

The overall distribution of loans by borrower's income profile reflects reasonable penetration among businesses of different sizes and borrowers of different income levels. Similarly, the bank's overall geographic distribution of loans reflects reasonable penetration throughout the assessment area.

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

The bank's loan distribution by borrower's profile is reasonable based on performance from the two products reviewed.

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

Small Business Loans by Revenue and Loan Size Assessment Area: Cape Girardeau							
Business Revenue and Loan Size		**2021**					
		Count		**Dollars**			**Total Businesses**
		Bank	**Aggregate**	**Bank**		**Aggregate**	
		#	**%**	**%**	**$ (000s)**	**$ %**	**$ %**	**%**
Business Revenue	$1 Million or Less	101	78.9%	54.8%	$7,106	62.0%	45.4%	89.1%
	Over $1 Million/ Unknown	27	21.1%	45.2%	$4,357	38.0%	54.6%	10.9%
	TOTAL	**128**	**100.0%**	**100.0%**	**$11,463**	**100.0%**	**100.0%**	**100.0%**
Loan Size	$100,000 or Less	95	74.2%	90.1%	$2,297	20.0%	32.9%	
	$100,001–$250,000	22	17.2%	5.1%	$3,581	31.2%	18.2%	
	$250,001–$1 Million	11	8.6%	4.8%	$5,585	48.7%	48.9%	
	Over $1 Million	0	0.0%	0.0%	$0	0.0%	0.0%	
	TOTAL	**128**	**100.0%**	**100.0%**	**$11,463**	**100.0%**	**100.0%**	
Loan Size Revenue $1 Million or Less	$100,000 or Less	80	79.2%		$1,909	26.9%		
	$100,001–$250,000	14	13.9%		$2,148	30.2%		
	$250,001–$1 Million	7	6.9%		$3,049	42.9%		
	Over $1 Million	0	0.0%		$0	0.0%		
	TOTAL	**101**	**100.0%**		**$7,106**	**100.0%**		

As shown in the preceding table, 78.9 percent of the bank's small business loans were to businesses with revenues of $1 million or less, exceeding the aggregate level of 54.8 percent and approaching the demographic metric of 89.1 percent. Additionally, 80 of the bank's 101 loans to small businesses (79.2 percent) were for $100,000 or less, demonstrating the bank's willingness to meet the smaller-dollar credit needs of area businesses. Therefore, the bank's level of lending to small businesses is reasonable.

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the area median family income figure as estimated by the FFIEC ($62,800 for the Cape Girardeau MSA as of 2021). The following table shows the distribution of HMDA loans by borrower income level compared to family population income demographics and 2021 aggregate performance for the assessment area.

Product Type	Borrower Income Levels	Count		Dollar			Families
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Borrower Distribution of RRE Loans **Assessment Area: Cape Girardeau**				**2021**				
Home Purchase	Low	5	9.8%	6.8%	422	4.2%	3.8%	19.6%
Home Purchase	Moderate	3	5.9%	18.6%	443	4.4%	13.8%	15.9%
Home Purchase	Middle	8	15.7%	18.8%	1,142	11.3%	17.3%	21.3%
Home Purchase	Upper	23	45.1%	33.0%	6,592	65.5%	43.9%	43.3%
Home Purchase	Unknown	12	23.5%	22.9%	1,463	14.5%	21.2%	0.0%
Home Purchase	**TOTAL**	**51**	**100.0%**	**100.0%**	**10,062**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	3	3.4%	3.6%	180	1.2%	2.0%	19.6%
Refinance	Moderate	8	9.0%	13.6%	708	4.6%	8.8%	15.9%
Refinance	Middle	18	20.2%	19.2%	2,150	14.0%	15.5%	21.3%
Refinance	Upper	55	61.8%	44.5%	11,431	74.4%	54.4%	43.3%
Refinance	Unknown	5	5.6%	19.1%	888	5.8%	19.3%	0.0%
Refinance	**TOTAL**	**89**	**100.0%**	**100.0%**	**15,357**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	3	8.8%	7.5%	110	5.7%	4.5%	19.6%
Home Improvement	Moderate	4	11.8%	10.3%	210	11.0%	8.0%	15.9%
Home Improvement	Middle	6	17.6%	15.9%	120	6.3%	9.2%	21.3%
Home Improvement	Upper	19	55.9%	58.9%	1,372	71.6%	72.3%	43.3%
Home Improvement	Unknown	2	5.9%	7.5%	105	5.5%	6.1%	0.0%
Home Improvement	**TOTAL**	**34**	**100.0%**	**100.0%**	**1,917**	**100.0%**	**100.0%**	**100.0%**

Multifamily	Low	0	0.0%	0.0%	0	0.0%	0.0%	19.6%
	Moderate	0	0.0%	0.0%	0	0.0%	0.0%	15.9%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	21.3%
	Upper	0	0.0%	9.3%	0	0.0%	5.1%	43.3%
	Unknown	1	100.0%	90.7%	828	100.0%	94.9%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**828**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	2.5%	0	0.0%	1.0%	19.6%
	Moderate	0	0.0%	27.5%	0	0.0%	23.2%	15.9%
	Middle	0	0.0%	22.5%	0	0.0%	20.7%	21.3%
	Upper	0	0.0%	42.5%	0	0.0%	42.4%	43.3%
	Unknown	0	0.0%	5.0%	0	0.0%	12.8%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
Other Purpose Closed/Exempt	Low	1	4.3%	2.4%	100	4.4%	1.9%	19.6%
	Moderate	0	0.0%	2.4%	0	0.0%	0.4%	15.9%
	Middle	1	4.3%	14.6%	70	3.1%	15.9%	21.3%
	Upper	19	82.6%	73.2%	1,979	87.3%	76.8%	43.3%
	Unknown	2	8.7%	7.3%	119	5.2%	5.0%	0.0%
	TOTAL	**23**	**100.0%**	**100.0%**	**2,268**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	19.6%
	Moderate	0	0.0%	3.4%	0	0.0%	3.4%	15.9%
	Middle	0	0.0%	0.0%	0	0.0%	0.0%	21.3%
	Upper	0	0.0%	0.0%	0	0.0%	0.0%	43.3%
	Unknown	0	0.0%	96.6%	0	0.0%	96.6%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	12	6.1%	5.1%	812	2.7%	2.7%	19.6%
	Moderate	15	7.6%	15.5%	1,361	4.5%	10.5%	15.9%
	Middle	33	16.7%	18.6%	3,482	11.4%	15.3%	21.3%
	Upper	116	58.6%	39.3%	21,374	70.2%	47.0%	43.3%
	Unknown	22	11.1%	21.5%	3,403	11.2%	24.5%	0.0%
	TOTAL	**198**	**100.0%**	**100.0%**	**30,432**	**100.0%**	**100.0%**	**100.0%**

As displayed in the preceding table, the bank's percentage of lending to low-income borrowers (6.1 percent) is below the low-income family population figure (19.6 percent) but higher than the 2021 aggregate lending level to low-income borrowers (5.1 percent), reflecting reasonable performance. The bank's level of lending to moderate-income borrowers (7.6 percent) is below the moderate-income family population figure (15.9 percent), as well as the aggregate lending level (15.5 percent). This reflects poor performance. Overall, the bank's HMDA loan distribution by borrower's profile is reasonable when considering performance in both income categories.

Geographic Distribution of Loans

Overall, the bank's geographic distribution of loans in this assessment area reflects reasonable penetration based on the bank's small business and HMDA lending activity.

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

Geographic Distribution of Small Business Loans (2021) Assessment Area: Cape Girardeau							
Census Tract Income Level	Bank Small Business Loans				% of Businesses	Aggregate of Peer Data	
	#	#%	$ 000s	$ %		%	$ %
Low	6	4.7%	$758	6.6%	3.7%	3.6%	5.8%
Moderate	11	8.6%	$519	4.5%	9.9%	9.5%	10.2%
Middle	90	70.3%	$8,403	73.3%	65.5%	68.0%	65.3%
Upper	21	16.4%	$1,783	15.6%	20.8%	18.3%	18.6%
Unknown	0	0.0%	$0	0.0%	0.0%	0.6%	0.1%
TOTAL	128	100.0%	$11,463	100.0%	100.0%	100.0%	100.0%

The bank made 4.7 percent of its small business loans in low-income census tracts. That figure was slightly higher than the 2021 aggregate performance (3.6 percent) and also exceeded the population metric (3.7 percent), reflecting reasonable performance. Additionally, the bank made 8.6 percent of its small business loans in moderate-income census tracts. That figure was marginally lower than the 2021 aggregate performance (9.5 percent) and the demographic metric (9.9 percent), reflecting reasonable performance. Thus, the bank's geographic distribution of small business loans is reasonable.

The following table displays the geographic distribution of the 2021 HMDA loans compared to owner-occupied housing demographics for the assessment area and 2021 aggregate data.

Geographic Distribution of RRE Loans Assessment Area: Cape Girardeau							

Product Type	Tract Income Levels	2021						Owner-Occupied Units
		Count			Dollar			
		Bank		HMDA Aggregate	Bank		HMDA Aggregate	
		#	%	%	$ (000s)	$ %	$ %	%
Home Purchase	Low	1	2.0%	0.9%	35	0.3%	0.4%	2.0%
	Moderate	1	2.0%	6.7%	475	4.7%	3.7%	6.4%
	Middle	33	64.7%	70.0%	6,985	69.4%	74.4%	68.6%
	Upper	16	31.4%	22.4%	2,567	25.5%	21.4%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**51**	**100.0%**	**100.0%**	**10,062**	**100.0%**	**100.0%**	**100.0%**
Refinance	Low	0	0.0%	0.2%	0	0.0%	0.1%	2.0%
	Moderate	0	0.0%	3.0%	0	0.0%	1.9%	6.4%
	Middle	62	69.7%	75.7%	10,150	66.1%	78.4%	68.6%
	Upper	27	30.3%	21.1%	5,207	33.9%	19.6%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**89**	**100.0%**	**100.0%**	**15,357**	**100.0%**	**100.0%**	**100.0%**
Home Improvement	Low	0	0.0%	0.0%	0	0.0%	0.0%	2.0%
	Moderate	0	0.0%	2.8%	0	0.0%	1.0%	6.4%
	Middle	25	73.5%	75.7%	1,692	88.3%	83.6%	68.6%
	Upper	9	26.5%	21.5%	225	11.7%	15.4%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**34**	**100.0%**	**100.0%**	**1,917**	**100.0%**	**100.0%**	**100.0%**
Multifamily	Low	0	0.0%	4.7%	0	0.0%	2.1%	6.9%
	Moderate	0	0.0%	20.9%	0	0.0%	21.0%	25.9%
	Middle	1	100.0%	60.5%	828	100.0%	58.6%	48.8%
	Upper	0	0.0%	14.0%	0	0.0%	18.4%	18.3%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**1**	**100.0%**	**100.0%**	**828**	**100.0%**	**100.0%**	**100.0%**
Other Purpose LOC	Low	0	0.0%	0.0%	0	0.0%	0.0%	2.0%
	Moderate	0	0.0%	2.5%	0	0.0%	0.6%	6.4%
	Middle	0	0.0%	80.0%	0	0.0%	84.8%	68.6%
	Upper	0	0.0%	17.5%	0	0.0%	14.6%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**

Other Purpose Closed/Exempt	Low	0	0.0%	0.0%	0	0.0%	0.0%	2.0%
	Moderate	0	0.0%	2.4%	0	0.0%	2.6%	6.4%
	Middle	16	69.6%	75.6%	1,838	81.0%	82.6%	68.6%
	Upper	7	30.4%	22.0%	430	19.0%	14.7%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**23**	**100.0%**	**100.0%**	**2,268**	**100.0%**	**100.0%**	**100.0%**
Purpose Not Applicable	Low	0	0.0%	0.0%	0	0.0%	0.0%	2.0%
	Moderate	0	0.0%	3.4%	0	0.0%	3.2%	6.4%
	Middle	0	0.0%	82.8%	0	0.0%	83.8%	68.6%
	Upper	0	0.0%	13.8%	0	0.0%	12.9%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**0**	**0.0%**	**100.0%**	**0**	**0.0%**	**100.0%**	**100.0%**
HMDA TOTALS	Low	1	0.5%	0.6%	35	0.1%	0.3%	2.0%
	Moderate	1	0.5%	4.9%	475	1.6%	3.8%	6.4%
	Middle	137	69.2%	73.0%	21,493	70.6%	75.7%	68.6%
	Upper	59	29.8%	21.6%	8,429	27.7%	20.2%	23.0%
	Unknown	0	0.0%	0.0%	0	0.0%	0.0%	0.0%
	TOTAL	**198**	**100.0%**	**100.0%**	**30,432**	**100.0%**	**100.0%**	**100.0%**

The overall analysis of HMDA loans reveals poor lending performance to borrowers residing in LMI geographies in this assessment area when considering performance in both income categories. The bank originated just one HMDA loan in the one low-income census tract in this assessment area. This represents 0.5 percent of the HMDA loans originated in this assessment area, which is in line with 2021 aggregate lending data performance (0.6 percent) and slightly lower than 2021 demographic data (2.0 percent). This represents reasonable performance. However, in the three moderate-income census tracts in this assessment area, the bank also originated just one HMDA loan in 2021, which also represented just 0.5 percent of all 2021 HMDA loan originations. This figure was significantly less than demographic data (6.4 percent), as well as 2021 aggregate lending data performance (4.9 percent), representing poor performance.

Lastly, based on reviews from both loan categories, the bank had loan activity in 15 of the 16 assessment census tracts (93.8 percent). While one moderate-income census tract received no loans, several loans were made bordering this tract, and therefore no conspicuous lending gaps were noted in LMI areas overall.

COMMUNITY DEVELOPMENT TEST

The bank demonstrates excellent responsiveness to community development needs in this assessment area, considering the bank's capacity and the need and availability of such opportunities for community development. The bank addressed these needs through community development loans, donations, and services. In addition, qualitative information learned from the community

contacts suggests the types of activities that the bank engaged in met critical areas of community development need. The bank extended several small farm loans to area small farms that provided economic development to these entities by creating/retaining jobs and providing for working lines of capital. These small farm loans were an identified credit need in the community contact interviews conducted for this assessment area. Finally, the bank's performance is even more notable considering the assessment area lacks a substantive number of organizations and opportunities with the capacity for partnerships.

The number and dollar amount of community development activities are shown in the following table, with noteworthy activities described further below.

Community Development Activities Cape Girardeau Assessment Area			
Community Development Component	**#**		**$**
Loans	8		$21.6 million
Investments, Current and Prior	0		$0
Donations	7		$18,250
Services	35 services	13 organizations	

As shown in the preceding table, the bank had an excellent number of activities that qualified for community development. The bank had the following noteworthy activities:

- The bank extended a Small Business Administration loan for $5.5 million to a small business in a low-income census tract in the bank's assessment area as part of the PPP, which helped to revitalize and stabilize a low-income census tract.

- The bank extended one loan for $5.5 million to an entity to provide financing to renovate and improve commercial real estate included in a community improvement district area of the assessment area. The loan helped to provide economic development for the assessment area.

- The bank made donations totaling $15,500 to a nonprofit organization that promotes education of critical life skills to area LMI youth.

- Financial services and expertise were provided to multiple boards, organizations, and entities and commissions tasked with improving the economic and social conditions for LMI individuals in the assessment area.

SCOPE OF EXAMINATION TABLES

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	January 1, 2021 – December 31, 2021 for HMDA and small business lending August 12, 2019 – April 30, 2023 for community development loans, investments, and services		
FINANCIAL INSTITUTION Montgomery Bank Sikeston, Missouri			**PRODUCTS REVIEWED** HMDA and Small Business

ASSESSMENT AREA – EXAMINATION SCOPE DETAILS					
Assessment Area	**Rated Area**	**# of Offices**	**Deposits ($000s) (as of 6/30/22)**	**Branches Visited**	**CRA Review Procedures**
St. Louis	Missouri	7	$292,673	0	Full Scope
Southeast Missouri	Missouri	2	$367,479	1	Full Scope
Cape Girardeau	Missouri	3	$381,981	0	Full Scope
OVERALL		**12**	**$1,042,223**	**1**	**3 Full Scope**

ASSESSMENT AREA MAPS

St. Louis Assessment Area

Montgomery Bank - Sikeston, MO 2023

Partial St. Louis MO-IL MSA 2021 - Tract Income
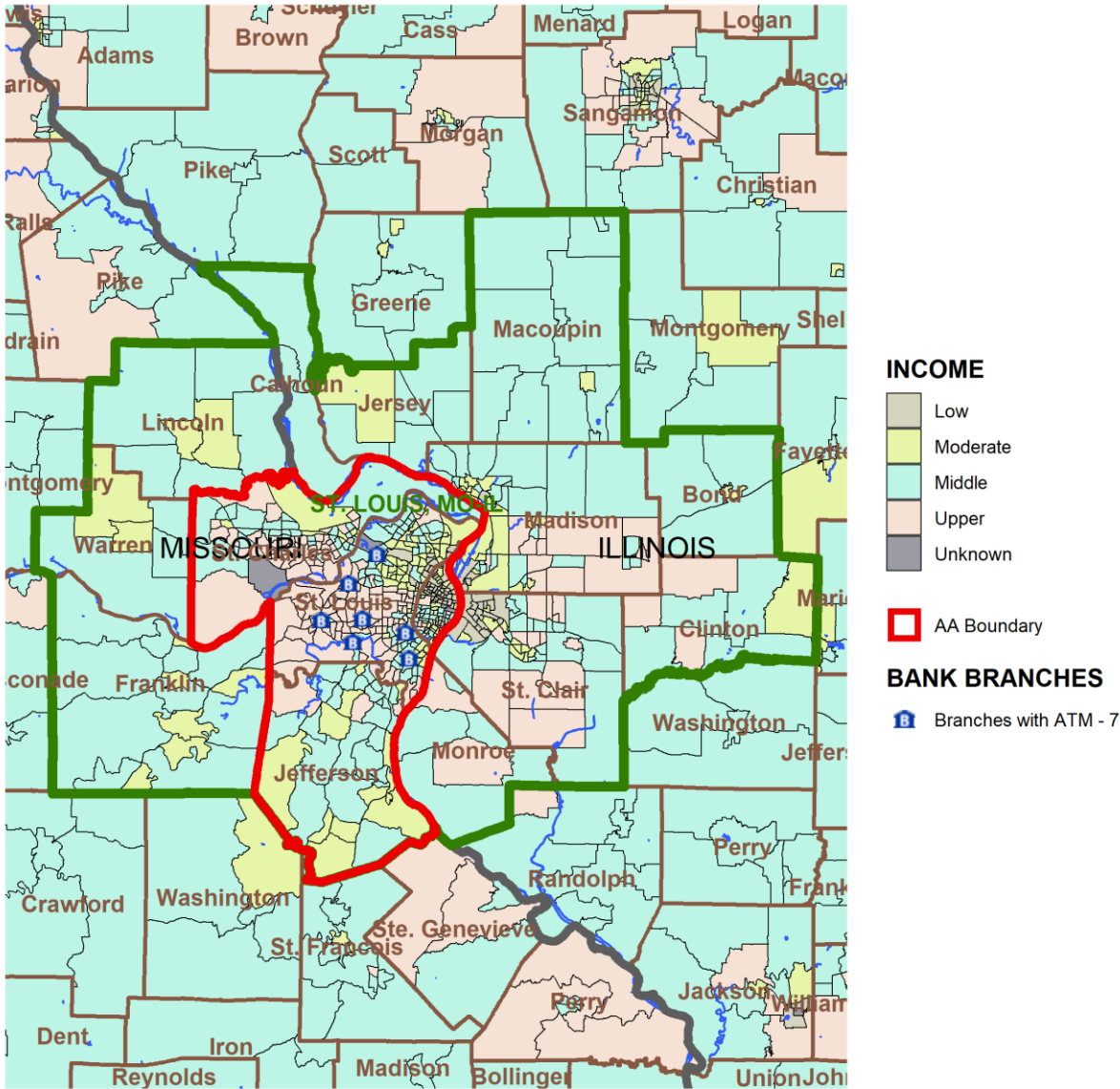
Southeast Missouri Assessment Area

Montgomery Bank - Sikeston, MO 2023

Southeast MO NonMSA 2021 - Tract Income
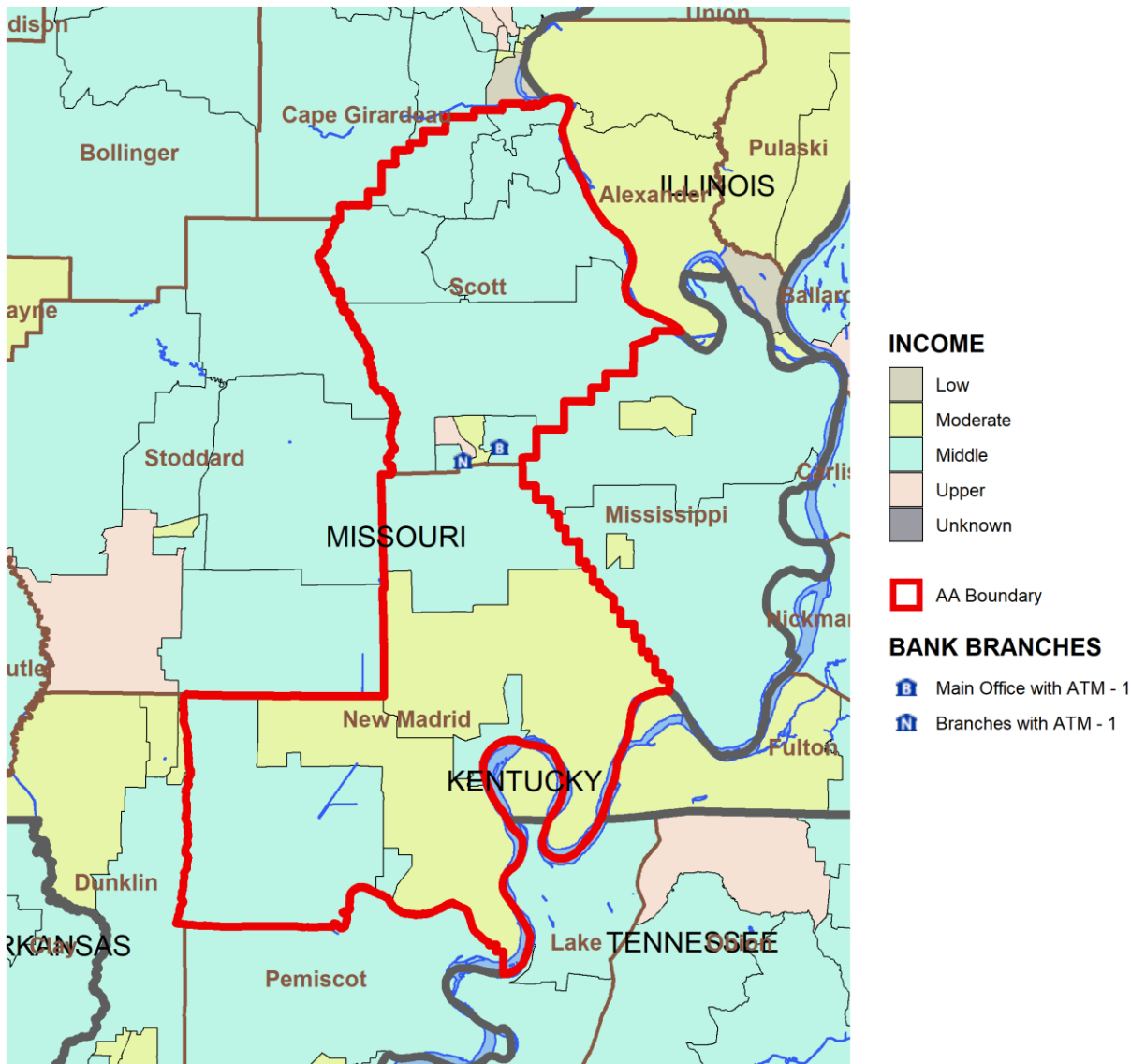
Cape Girardeau Assessment Area

Montgomery Bank - Sikeston, MO 2023
Partial Cape Cirardeau MO-IL MSA 2021 - Tract Income
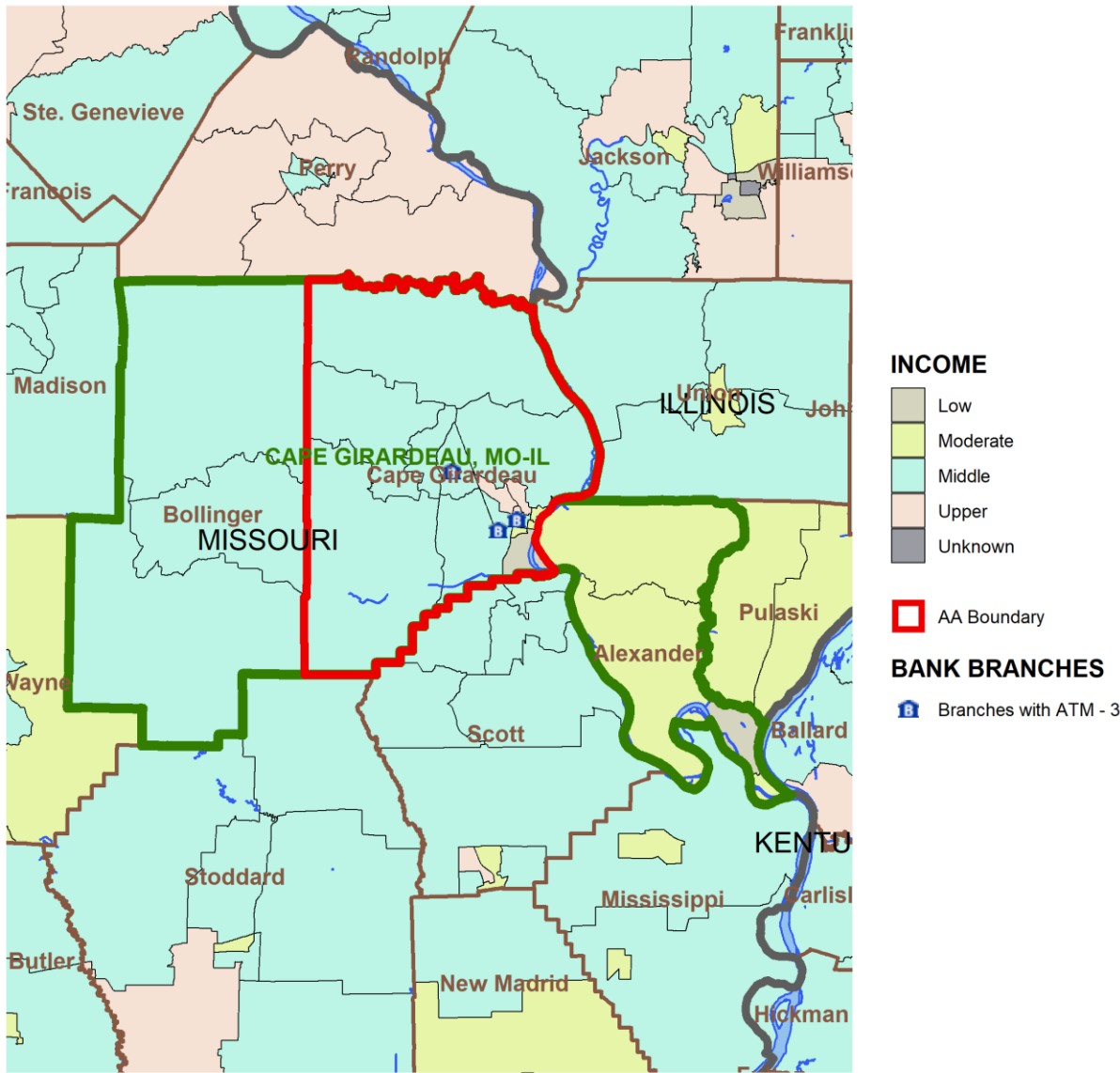
GLOSSARY

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

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

Census tract: A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely, depending 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- and moderate-income individuals (LMI); (2) community services targeted to LMI; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; (4) activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

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

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

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders 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 applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

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

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

Housing affordability ratio: 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 an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

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

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

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

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

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

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

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

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

Performance evaluation (PE): A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small businesses/small farms: A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were $1 million or less.

Small loan(s) to business(es): That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Underserved middle-income geography: A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more, in the case of a geography.