



**PUBLIC DISCLOSURE**

August 30, 2021

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

HNB National Bank  
Charter Number 6635

100 North Main Street  
Hannibal, MO 63401

Office of the Comptroller of the Currency  
500 N Broadway, Suite 1700  
St. Louis, MO 63102

**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, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## **Overall CRA Rating**

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The Lending Test is rated: Satisfactory**

**The Community Development (CD) Test is rated: Satisfactory**

The major factors that support this rating include:

- The Lending Test rating is based on satisfactory performance in the State of Missouri.
- The CD Test rating is based on performance in the State of Missouri.
- The bank's loan-to-deposit (LTD) ratio is reasonable with a quarterly average of 86.6 percent during the evaluation period.
- A substantial majority of the bank's loans are inside its assessment areas (AAs).
- The bank received no CRA-related complaints during the evaluation period.

## Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AAs, the bank's LTD ratio is reasonable. HNB National Bank's (HNB or bank) quarterly LTD ratio averaged 86.6 percent over the 12-quarter period ending December 31, 2020. Over this period, the bank's quarterly LTD ratio ranged from a low of 70.6 percent to a high of 93 percent.

We analyzed the quarterly LTD ratios of four similarly situated federal and state banks based on a combination of size, location, and lending opportunities. The banks ranged in size from \$436.6 million to \$611.1 million, with a combined average quarterly LTD ratio of 86.7 percent over the same evaluation period. The lowest individual quarterly average was 66.1 percent, while the highest individual quarterly average was 102.7 percent. HNB ranked third among the group. The table below lists the similarly situated banks with corresponding average quarterly LTD ratios and total assets.

Institution	Average Quarterly LTD Ratio	Total Assets (\$000s) as of 12/31/2020
Homebank	102.7%	\$436,604
First State Bank of St. Charles, MO	99.5%	\$489,510
HNB National Bank	86.6%	\$622,678
The Bank of Old Monroe	78.6%	\$502,037
Peoples Bank & Trust	66.1%	\$611,051

*Source: Quarterly Call Reports from March 31, 2018 to December 31, 2020*

## Lending in Assessment Area

A substantial majority of the bank's loans are inside its AAs. The bank originated and purchased 81.4 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank rather than the AA level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area										
Home Mortgages	Number of Loans				Total	Dollar Amount of Loans \$(000s)				Total
	Inside		Outside			Inside		Outside		
	#	%	#	%	#	\$	%	\$	%	\$(000s)
2018	367	83.2	74	16.8	441	47,870	82.9	9,899	17.1	57,769
2019	496	80.7	119	19.4	615	71,030	76.5	21,827	23.5	92,856
2020	1,018	81.1	237	18.9	1,255	162,730	77.4	47,481	22.6	210,211
<b>Total</b>	<b>1,881</b>	<b>81.4</b>	<b>430</b>	<b>18.6</b>	<b>2,311</b>	<b>281,629</b>	<b>78.0</b>	<b>79,208</b>	<b>22.0</b>	<b>360,837</b>

*Source: Bank Data  
Due to rounding, totals may not equal 100.0%*

## Description of Institution

HNB is an intrastate financial institution headquartered in Hannibal, Missouri. R. Dean Phillips Bank Trust, who is the largest and principal shareholder, owns the bank. As of June 30, 2021, the trust has approximately \$159 million in assets. There were no affiliate or subsidiary activities considered in this evaluation.

As of December 31, 2020, HNB had \$623 million in total assets. This included total loans and leases of \$386 million that were comprised of \$292 million (75.6 percent of loans and leases) in real estate related loans, \$34.2 million (8.8 percent) in commercial loans, \$7.7 million (2 percent) in consumer loans, \$49.8 million (12.9 percent) in agricultural loans, and \$2.7 million (0.7 percent) in other loans and leases. Total tier 1 capital was \$78.1 million.

For CRA purposes, HNB has identified three AAs in the state of Missouri that includes a Missouri Non-MSA AA, an eastern portion of the St. Joseph MO-KS (St. Joseph) Metropolitan Statistical Area (MSA) #41140, and a western portion of the St. Louis MO-IL (St. Louis) MSA #41180. The AAs conform to regulatory requirements and do not arbitrarily exclude any low- and moderate-income geographies.

HNB operates 14 full-service branches. Branches are located in all three AAs with nine in the Missouri Non-MSA AA, three in the St. Joseph MSA AA, and two in the St. Louis MSA AA. Each bank branch has an automated teller machine (ATM) with three additional ATMs offsite located offsite. None of the bank's ATMs are capable of taking deposits. HNB's business strategy remains dedicated to offering traditional-style banking, local decision-making, new technologies, community involvement, and providing responsive, personal service to all customers. The bank offers a variety of banking products and services to its customers, including deposit and loan products, as well as ATM/Debit cards, overdraft protection, remote deposit capture, night depository, safe deposit boxes, wire transfers, internet banking (including bill pay), mobile banking, cash management, investment services, and trust services. HNB did not open or close any branches or engage in any acquisition or merger activities during the evaluation period.

HNB received a "Satisfactory" rating in their last CRA evaluation dated August 6, 2018. There are no financial, legal, or other factors impeding the bank's ability to help meet the credit needs of its AAs.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The scope of this evaluation includes an assessment of HNB under the Intermediate Small Bank performance criteria, which consists of a lending test and a CD test. The lending test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The CD test evaluates the bank's record of responding to the CD needs of its AAs through CD lending and providing qualified investments, donations, and services.

The evaluation period for the lending test is January 1, 2018 through December 31, 2020. Examiners determined HNB's primary loan products for each AA by reviewing the number and dollar volume of loan originations and purchases during the evaluation period. Home mortgage loans were the primary product in all three AAs. Examiners relied on Home Mortgage Disclosure Act (HMDA) data to complete the analysis of home mortgage loans. Home mortgage loans originated or purchased during the evaluation period were compared to 2015 American Community Survey (ACS) and 2020 peer mortgage data.

MSA boundary changes introduced in 2018, effective January 1, 2019, by the Office of Management and Budget resulted in no additional analysis under the lending test for any of the bank's AAs.

For lending performance, examiners placed more emphasis on aggregate performance. When there were performance differences between low- and moderate-income geographies, examiners placed more emphasis on the geographic category with more lending opportunities (e.g. higher percentage of owner-occupied housing units). These weightings are described within the narrative comments of each rating area.

The evaluation period for the CD test is January 1, 2018 through December 31, 2020. CD loans, qualified investments, and CD services were evaluated in each of the bank's three AAs. Qualifying activities performed in response to the significant impact of the coronavirus pandemic across the United States were considered through December 31, 2020. Activities occurring on or after January 1, 2021 will be considered in the subsequent evaluation.

The OCC's analysis of qualified investments included the investment portfolio as well as donations and grants made during the evaluation period that had CD as its primary purpose. Qualified investments included investments that met the definition of CD and were made prior to and remained outstanding through the end of the current evaluation period or were made during the current evaluation period. Examiners considered prior-period investments at their book value at the end of the current evaluation period and current-period investments at their original investment amount.

## **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank-delineated AAs located within the same MSA or multistate metropolitan statistical area (MMSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full or limited scope.

When determining areas for full-scope reviews, examiners considered factors such as HNB's percentage of deposits within the rating area, business strategy within a particular AA, the number of branch offices, the volume of reportable loans originated and purchased in each AA, the significance of the bank to the AA based on its deposit market share and rank, comments received from the public, and conclusions from prior CRA evaluations. When necessary, examiners selected multiple AAs to complete sufficient full-scope analyses to support conclusions and ratings.

Refer to the Scope section under the State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A: Scope of Examination for a list of full- and limited-scope AAs.

## **Ratings**

The bank's overall rating is based on its performance in the State of Missouri where all three AAs are located. Examiners placed the most weight on the bank's performance in the Missouri Non-MSA AA as it represents the largest portion of the bank's deposits, loan originations and purchases, and branch offices during the evaluation period. The Missouri Non-MSA AA represented 78.7 percent of the bank's total deposits, 64.3 percent of branch offices, and 65.9 percent of loan originations by number (60.7 percent by dollar).

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.17, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Missouri

**CRA rating for the State of Missouri<sup>1</sup>:** Satisfactory

**The Lending Test is rated:** Satisfactory

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

The major factors that support this rating include:

- The distribution of loans throughout geographies of different income levels in Missouri is reasonable.
- The distribution of loans to borrowers of different income levels in Missouri is reasonable.
- HNB's CD performance demonstrates satisfactory responsiveness to the CD needs of the bank's AAs in Missouri through CD loans, qualified investments, and CD services.
- The bank did not receive any complaints regarding its CRA performance in Missouri.

### Description of Institution's Operations in Missouri

HNB has identified three AAs located in the state of Missouri: a Missouri Non-MSA AA, the eastern portion of the St. Joseph MO-KS (St. Joseph) MSA #41140, and the western portion of the St. Louis MO-IL (St. Louis) MSA #41180.

#### Missouri Non-MSA

The Missouri Non-MSA AA is comprised of Gentry, Marion, Monroe, Ralls, and Pike counties in Missouri. HNB has one branch in Gentry County: HNB Stanberry, five branches in Marion County: HNB Main, HNB North, HNB West, HNB Walmart, and HNB Palmyra. HNB has two locations in Ralls County: HNB Monroe City and HNB Perry and one branch in Pike County: HNB Bowling Green. One cash-dispensing ATM is located at each branch. Other cash-dispensing ATM locations include two Abel's Quick Shops in Hannibal, the Hannibal Regional Hospital, and a stand-alone location in Stanberry. The AA is comprised of one moderate-income, 15 middle, and four upper-income CTs. There are no low-income CTs in this AA.

#### Competition

Competition for deposits in the AA is moderate. According to the June 30, 2020 FDIC Deposit Market Share Report, HNB's deposits in the AA totaled \$389.2 million, representing 78.7 percent of the bank's total deposits. HNB ranked 1<sup>st</sup> out of 23 reporting institutions with a market share of 23 percent. The next three competitors included Homebank with 11 percent of the market share, Community State Bank

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<sup>1</sup> This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within the MMSA.

of Missouri with 10.4 percent of the market share, and F&M Bank & Trust Company with 7.3 percent of the market share.

Market competition for home mortgage loans is strong within the AA. According to the 2020 Peer Mortgage Data, there are 161 lenders with an overall total of 2,244 loans originated. HNB ranked 1<sup>st</sup> with 554 loans originated or 24.2 percent of the market share, followed by Homebank with 242 loans originated at 10.8 percent of the market share, and U.S. Bank National Association with 103 loans originated and 4.6 percent of the market share.

### Demographics

The table below provides a summary of demographic information for the Missouri Non-MSA AA.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: Missouri Non-MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	21	0.0	4.8	76.2	19.0	0.0
Population by Geography	73,065	0.0	4.3	71.6	24.1	0.0
Housing Units by Geography	33,866	0.0	4.3	75.4	20.4	0.0
Owner-Occupied Units by Geography	19,877	0.0	3.1	73.3	23.6	0.0
Occupied Rental Units by Geography	8,185	0.0	5.9	76.7	17.4	0.0
Vacant Units by Geography	5,804	0.0	6.0	80.4	13.6	0.0
Businesses by Geography	4,534	0.0	4.8	71.1	24.1	0.0
Farms by Geography	519	0.0	0.8	69.9	29.3	0.0
Family Distribution by Income Level	18,851	17.0	17.6	21.3	44.1	0.0
Household Distribution by Income Level	28,062	19.8	15.4	19.2	45.7	0.0
Median Family Income Non-MSAs - MO	\$48,341	Median Housing Value				\$100,133
		Median Gross Rent				\$605
		Families Below Poverty Level				11.8%
<i>Source: 2015 ACS and 2020 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population is 73,065 with 3,127 (4.3 percent) residing in moderate-income CTs in the AA, 52,306 (71.6 percent) residing in middle-income CTs, and 17,632 (24.1 percent) residing in upper-income CTs. There are no low-income CTs in this AA.

### Family Distribution by Income Level

According to the 2015 ACS Census data, there were 18,851 families in the AA. The distribution of families by income level was 3,207 (17 percent) low income, 3,318 (17.6 percent) moderate income, 4,022 (21.3 percent) middle income, and 8,304 (44.1 percent) upper income.

### Employment and Economic Factors

According to the Bureau of Labor and Statistics (BLS), the unemployment rate for the Missouri Non-MSA AA prior to the 2020 coronavirus pandemic was showing increased unemployment year-over-year, with Monroe and Pike counties far exceeding the other counties in years 2018 and 2019. All unemployment rates are below the national average, with Monroe and Pike counties exceeding Missouri unemployment rates.

Annual Unemployment Rates			
Area	2018	2019	2020
Gentry County	2.4%	2.7%	3.4%
Marion County	3.1%	3.2%	4.8%
Monroe County	3.6%	4.2%	5.9%
Ralls County	2.8%	3.1%	4.5%
Pike County	3.6%	3.5%	5.5%
Missouri	3.2%	3.3%	6.1%
National	3.9%	3.7%	8.1%

*Source: U.S. Department of Labor; Bureau of Labor Statistics. Rates are not seasonally adjusted.*

The percentage of families in the AA living below the poverty level was 11.8 percent. There were 720 families residing in moderate-income CTs, 127 (17.6 percent) of which lived below the poverty level.

According to Moody's Analytics, *Missouri's economy will trail the nation's over the near term. Logistics will punch above its weight but is not in position to make the state a top performer on its own. Education/healthcare will add jobs at a below-average tempo given the weak outlook for population growth. Longer term, the state's diverse industry mix will keep gains on par with the Midwest average, even as weak demographics encumber growth.*

The top employment sectors in the AA are education and health services (17.3 percent), government (15.3 percent), professional and business services (13.2 percent), retail trade (10.5 percent), and manufacturing (9.6 percent). The largest employers in the AA include Walmart Inc. (27,750 employees), BJC Healthcare (24,182 employees), SSM Health Care System (15,949 employees), Washington University in St. Louis (14,692 employees), and Boeing Defense, Space & Security (14,617 employees).

### Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 33,866 in the AA. Of the total number of housing units, 19,877 (58.7 percent) are owner occupied, 8,185 (24.2 percent) are renter occupied, and 5,804 (17.1 percent) are vacant. There were 612 (42.4 percent) owner-occupied housing units located in moderate-income CTs. The median age of housing stock in the moderate-income CTs was 81 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for low- and moderate-income (LMI) individuals.

Per the table below, low-income families earned as much as \$26,550 in 2018 and up to a maximum of \$27,200 in 2020, and moderate-income families earned as much as \$42,480 in 2018 and up to a maximum of \$43,520 in 2020.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>MO NA Median Family Income (99999)</b>				
2018 (\$53,100)	<\$26,550	\$26,550 to <\$42,480	\$42,480 to <\$63,720	≥\$63,720
2019 (\$52,400)	<\$26,200	\$26,200 to <\$41,920	\$41,920 to <\$62,880	≥\$62,880
2020 (\$54,400)	<\$27,200	\$27,200 to <\$43,520	\$43,520 to <\$65,280	≥\$65,280
<i>Source: FFIEC</i>				

According to Realtor.com, the median housing value in the AA ranged from \$105,000 in 2018 to \$124,900 in 2020, an increase of \$19,900 (19 percent). This is far greater than the \$1,300 (2.5 percent) increase in the FFIEC median-family income over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated a maximum monthly mortgage payment of \$680 for low-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment based on Realtor.com median listing price would be \$670. Low-income borrowers would likely be challenged when accounting for the additional expenses mentioned above.

### Community Contacts

We conducted an interview with an economic development entity as our community contact for the Missouri Non-MSA AA. Information from the interview identified the following needs within the AA:

- Better access to traditional financing for local entrepreneurs.
- New single-family starter homes to replace existing aging housing stock and shortage of new housing in the area.

### St. Joseph MSA

The St. Joseph MSA AA includes all of Andrew and Buchanan counties located in northwest Missouri. HNB operates three branch locations and three cash-dispensing ATMs in the AA: HNB Savannah, HNB North Belt, and HNB St. Joseph Riverside. The MSA is comprised of one low-income, six moderate-income, 15 middle-income, and six upper-income CTs.

### Competition

Competition for deposits within the AA is moderate. According to the June 30, 2020 FDIC Deposit Market Share Report, HNB's deposits in the AA totaled \$66.4 million, representing 13.4 percent of the bank's total deposits. HNB ranked 9<sup>th</sup> out of 25 reporting institutions in the AA with a market share of 3.1 percent. The Nodaway Valley Bank holds the largest percentage of the market share at 27.1 percent. Commerce Bank and U.S. Bank National Association follow at 19.8 percent and 14.0 percent, respectively.

Market competition for home mortgage loans is strong within the AA. According to the 2020 Peer Mortgage Market Share Data, there were 201 lenders with an overall total of 3,808 loans originated. Fairway Independent Mortgage Company ranked 1<sup>st</sup> with 486 originated and a 12.8 percent market share, followed by Quicken Loans with 284 originations at 7.5 percent of the market share, and Primelending, A Plainscapital with 282 originations at 7.4 percent of the market share. HNB ranks 5<sup>th</sup> with 240 originations at 6.3 percent of the market share.

### Demographics

The table below provides a summary of the demographic information for the St. Joseph MSA.

<b>Demographic Information of the Assessment Area</b>						
<b>Assessment Area: St Joseph MSA AA</b>						
<b>Demographic Characteristics</b>	<b>#</b>	<b>Low % of #</b>	<b>Moderate % of #</b>	<b>Middle % of #</b>	<b>Upper % of #</b>	<b>NA* % of #</b>
Geographies (Census Tracts)	28	3.6	21.4	53.6	21.4	0.0
Population by Geography	100,710	1.7	17.6	52.3	28.3	0.0
Housing Units by Geography	42,946	2.5	18.8	54.3	24.4	0.0
Owner-Occupied Units by Geography	25,325	0.7	14.6	55.0	29.7	0.0
Occupied Rental Units by Geography	12,524	5.2	21.2	54.7	19.0	0.0
Vacant Units by Geography	5,097	4.9	33.2	49.9	11.9	0.0
Businesses by Geography	5,454	6.9	9.8	47.7	35.5	0.0
Farms by Geography	312	0.6	3.5	67.9	27.9	0.0
Family Distribution by Income Level	24,385	20.7	17.3	22.4	39.5	0.0
Household Distribution by Income Level	37,849	24.6	15.7	17.0	42.7	0.0
Median Family Income MSA - 41140 St. Joseph, MO-KS MSA		\$59,820	Median Housing Value			\$121,326
			Median Gross Rent			\$699
			Families Below Poverty Level			12.0%

Source: 2015 ACS and 2020 D&B Data  
Due to rounding, totals may not equal 100.0%  
(\* ) The NA category consists of geographies that have not been assigned an income classification.

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the St. Joseph MSA AA has a population of 100,710 with 1,759, (1.7 percent) in low-income CTs, 17,732 (17.6 percent) in moderate-income CTs, 52,671 (52.3 percent) in middle-income CTs, and 28,548 (28.3 percent) in upper-income CTs.

### Family Distribution by Income Level

According to the 2015 ACS Census data, there were 24,385 families in the AA. The distribution of families by income level was 5,047 (20.7 percent) low income, 4,228 (17.3 percent) moderate-income, 5,468 (22.4 percent) middle-income, and 9,642 (39.5 percent) upper income.

### Employment and Economic Factors

According to the BLS, the unemployment rate for the St. Joseph MSA AA prior to the 2020 coronavirus pandemic remained stable year-over-year, while also trending below the state unemployment rate and well below the national unemployment rate.

Annual Unemployment Rates			
Area	2018	2019	2020
Andrew County	2.7%	2.8%	4.0%
Buchanan County	3.0%	3.1%	4.9%
Missouri	3.2%	3.3%	6.1%
National	3.9%	3.7%	8.1%

*Source: U.S. Department of Labor; Bureau of Labor Statistics. Rates are not seasonally adjusted.*

The percentage of families in the AA living below the poverty level was 12 percent. There were 307 families residing in low-income CTs, 141 (45.9 percent) of which lived below the poverty level. There were 4,012 families residing in moderate-income CTs, 853 (21.3 percent) of which lived below the poverty level.

According to Moody's Analytics, *St. Joseph will expand more slowly than the U.S. average in the near term. Growth in food processing, homebuilding and healthcare will lead the way. Longer term, weak population growth, low educational attainment, and low average hourly earnings will prevent the metro area from matching pace with the rest of the U.S.*

The top employment sectors in the AA are manufacturing (21.1 percent), government (18 percent), education and health service (14.6 percent), professional and business services (8.6 percent), and leisure and hospitality services (7.2 percent). The largest employers in the AA include Mosaic Life Care (4,072 employees), Triumph Foods Inc. (2,900 employees), 139<sup>th</sup> Airlift Wing, MO Air National Guard (1,521 employees), Boehringer Ingelheim Corp. (1,070 employees), and System Services Technologies, Inc. (983 employees).

### Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 42,946 in the AA. Of the total number of housing units, 25,325 (59 percent) were owner occupied, 12,524 (29.2 percent) were renter occupied, and 5,097 (11.9 percent) were vacant. There are (16.9 percent) owner-occupied units located in low-income CTs, and 3,708 (46 percent) located in moderate-income CTs. The median age of housing stock in low-income CTs was 81 years and in moderate-income CTs was 78 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Per the table below, low income families earned as much as \$32,150 in 2018 and up to a maximum of \$31,800 in 2020. Moderate-income families earned as much as \$51,440 in 2018 and up to a maximum of \$50,880 in 2020.

Median Family Income Ranges St Joseph MSA Median Family Income				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
<b>St. Joseph, MO-KS MSA Median Family Income (41140)</b>				
2018 (\$64,300)	<\$32,150	\$32,150 to <\$51,440	\$51,440 to <\$77,160	≥\$77,160
2019 (\$64,300)	<\$32,150	\$32,150 to <\$51,440	\$51,440 to <\$77,160	≥\$77,160
2020 (\$63,600)	<\$31,800	\$31,800 to <\$50,880	\$50,880 to <\$76,320	≥\$76,320
<i>Source: FFIEC</i>				

According to Realtor.com, the median housing value in the AA ranged from \$128,900 in 2018 to \$122,394 in 2020, a decrease of \$6,506 (5.1 percent). The FFIEC median-family income also declined (1.1 percent) over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated a maximum monthly mortgage payment of \$795 for low-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment based on Realtor.com median listing price would be \$657. Low-income borrowers would likely be challenged when accounting for the additional expenses mentioned above.

### Community Contacts

Information from two community contact interviews; an economic development entity, and a community-based nonprofit group; identified the following needs within the St. Joseph MSA:

- Smaller businesses struggle with access to loans for commercial real estate and working capital.
- Other credit needs are for consumer loans for vehicle financing and home mortgages.

### St. Louis MSA AA

The St. Louis MSA AA consists of Lincoln and St. Charles County, Missouri. HNB has two branches located in this MSA: one in Troy, Missouri and the other in Wentzville, Missouri. One cash-dispensing ATM is located at each branch. The MSA is comprised of one low-income, nine moderate-income, 33 middle-income, and 42 upper-income census tracts (CTs). One CT is not available.

### Competition

Competition for deposits in the AA is high. According to the June 30, 2020 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, HNB's deposits in the AA totaled \$39.2 million, representing eight percent of the bank's total deposits. HNB ranked 33<sup>rd</sup> out of 36 reporting institutions in the AA with two branches creating a market share of 0.4 percent. The top three competitors included U.S. Bank National Association with 15 branch offices and 14.8 percent of the market share, Bank of America, National Association with nine branch offices and 11.7 percent of the market share, and Commerce Bank with seven branch offices and 11.2 percent of the market share.

Market competition for home mortgage loans is strong within the AA. According to the 2020 Peer Mortgage Market Share Data, there were 421 lenders with an overall total of 43,857 loans originated.

Wells Fargo Bank, National Association ranked 1<sup>st</sup> with 2,877 loans and 6.6 percent of the market share, followed by DAS Acquisition Company with 2,404 loans and 5.5 percent of the market share, and U.S. Bank National Association with 2,238 loans and 5.1 percent of the market share. In comparison, HNB ranked 47<sup>th</sup> with 228 loans at 0.5 percent of the market share.

### Demographics

The table below provides a summary of the demographic information for the St. Louis MSA.

Demographic Information of the Assessment Area						
Assessment Area: St Louis MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	86	1.2	10.5	38.4	48.8	1.2
Population by Geography	428,655	1.3	9.6	39.3	49.8	0.0
Housing Units by Geography	166,775	1.0	11.3	39.6	48.1	0.0
Owner-Occupied Units by Geography	124,370	0.4	8.9	38.0	52.8	0.0
Occupied Rental Units by Geography	33,086	3.2	18.3	44.5	34.1	0.0
Vacant Units by Geography	9,319	1.4	19.9	44.1	34.6	0.0
Businesses by Geography	29,508	1.2	14.7	38.4	45.8	0.1
Farms by Geography	1,174	0.3	12.1	51.2	36.5	0.0
Family Distribution by Income Level	114,459	13.9	15.5	21.8	48.8	0.0
Household Distribution by Income Level	157,456	15.2	13.4	18.1	53.3	0.0
Median Family Income MSA - 41180 St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$186,722
			Median Gross Rent			\$929
			Families Below Poverty Level			5.5%

Source: 2015 ACS and 2020 D&B Data  
 Due to rounding, totals may not equal 100.0%  
 (\*) The NA category consists of geographies that have not been assigned an income classification.

### Geographic Distribution of the Population

According to the 2015 ACS Census data, the area population was 428,655, with 5,528 (1.3 percent) residing in low-income CTs, 41,103 (9.6 percent) residing in moderate-income CTs, 168,482 (39.3 percent) in middle-income CTs, and 213,542 (49.8 percent) in upper-income CTs.

### Family Distribution by Income Level

According to the 2015 ACS Census data, there were 114,459 families in the AA. The distribution of families by income level was 15,904 (13.9 percent) low income, 17,737 (15.5 percent) moderate income, 24,986 (21.8 percent) middle income, and 55,832 (48.8 percent) upper income.

### Employment and Economic Factors

According to the BLS, the unemployment rate for the St. Louis MSA AA prior to the 2020 coronavirus pandemic remained stable year-over-year, while also trending with the state of Missouri average and below the national unemployment rate.

Annual Unemployment Rates			
Area	2018	2019	2020
St. Charles County	2.5%	2.5%	5.2%
Lincoln County	3.3%	3.3%	6.3%
Missouri	3.2%	3.3%	6.1%
National	3.9%	3.7%	8.1%

*Source: U.S. Department of Labor; Bureau of Labor Statistics. Rates are not seasonally adjusted.*

The percentage of families in the AA living below the poverty level was 5.5 percent. There were 913 families residing in the low-income CT, 235 (3.7 percent) of which lived below the poverty level. There were 10,018 families living in moderate-income CTs, 1,491 (23.7 percent) of which lived below the poverty level.

According to Moody's Analytics, *St. Louis' recovery will press forward but at a slower pace than in Missouri and the Midwest. Manufacturing and logistics will perform reasonably well, but neither can provide enough high-quality positions to make the metro area a top performer. Longer term, lackluster populations gains will put a ceiling on growth in employment and income.*

The top employment sectors in the AA are education and health services (19.1 percent), professional and business services (15.4 percent), government (11.4 percent), retail trade (9.7 percent), and leisure and hospitality services (9.0 percent). The top five employers in the AA include BJC Healthcare (28,516 employees), Mercy Health Care (23,011 employees), Walmart Inc. (22,290 employees), Washington University in St. Louis (17,442 employees), and Boeing Defense, Space & Security (14,566 employees).

### Housing Characteristics and Home Affordability

The 2015 ACS Census reported total housing units of 166,775 in the AA. Of the total number of housing units, 74.6 percent are owner occupied, 19.8 percent are renter occupied, and 5.6 percent are vacant. Only 1,673 owner-occupied units or 0.4 percent are located in the low-income CT in the AA and 18,915 or 8.9 percent are located in moderate-income CTs. The median age of housing stock in the low-income CT was 59 years and in the moderate-income CTs was 40 years. Older homes often cost more to maintain, frequently require significant repairs to meet building code requirements, and are typically less energy efficient. These factors add to the overall cost of homeownership and can have a negative impact on home affordability for LMI individuals.

Per the table below, low-income families earned as much as \$38,300 in 2018 and up to a maximum of \$41,300 in 2020. Moderate-income families earned as much as \$61,280 in 2018 and up to a maximum of \$66,080 in 2020.

Median Family Income Ranges				
St. Louis MSA Median Family Income (41180)				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
St. Louis, MO-IL MSA Median Family Income (41180)				
2018 (\$76,600)	<\$38,300	\$38,300 to <\$61,280	\$61,280 to <\$91,920	≥\$91,920
2019 (\$81,200)	<\$40,600	\$40,600 to <\$64,960	\$64,960 to <\$97,440	≥\$97,440
2020 (\$82,600)	<\$41,300	\$41,300 to <\$66,080	\$66,080 to <\$99,120	≥\$99,120

*Source: FFIEC*

According to Realtor.com, the median housing value in the AA ranged from \$189,900 in 2018 to \$231,450 in 2020, an increase of \$41,550 (21.9 percent). This is far greater than the \$6,000 (7.8 percent) increase in the Federal Financial Institution's Examination Council (FFIEC) median-family income over the same period as reflected in the table above.

One method used to determine housing affordability assumed a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. This calculated a maximum monthly mortgage payment of \$1,033 for low-income borrowers. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for down payment, homeowner's insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment based on Realtor.com median listing price would be \$1,242. Low-income borrowers would likely be challenged when accounting for the additional expenses mentioned above.

### Community Contacts

Information from four community contact interviews; a local government agency, a local university, an economic development entity, and a community-based nonprofit coalition group; identified the following needs within the St. Louis MSA:

- Affordable housing: the growing communities are running low on rental options for LMI borrowers due to an increase in population.
- Financing for one-to-four family home purchases and rehabilitation, multi-family buildings with tenants using Section 8 housing vouchers, and small businesses.
- Down payment and closing cost assistance programs for low- and moderate-income borrowers.
- Financial counseling and education programs, including first-time homebuyer programs.

### **Scope of Evaluation in Missouri**

We performed a full-scope review of the Missouri Non-MSA AA, St. Joseph MSA AA, and St. Louis MSA AA, all located in the state of Missouri. The primary products for all AAs was home mortgage loans. Refer to Appendix A for more information

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MISSOURI**

### **LENDING TEST**

HNB's performance under the Lending Test in the state of Missouri is rated Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on a full-scope review, the bank's lending performance was satisfactory in all AAs.

### **Distribution of Loans by Income Level of the Geography**

The bank exhibits reasonable geographic distribution of home mortgage loans in the state. Both low-income and moderate-income geographies were weighted equally.

***Home Mortgage Loans***

Refer to Table O in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

**Missouri Non-MSA**

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans originated or purchased in moderate-income geographies was below the percentage of owner-occupied housing units but in line with the aggregate percentage of all reporting lenders. There are no low-income geographies in this AA.

**St. Joseph MSA**

The geographic distribution of home mortgage loans was adequate. The bank's percentage of home mortgage loans originated or purchased in low-income geographies was in line with the percentage of owner-occupied housing units and exceeded the aggregate percentage of all reporting lenders. The percentage of home mortgage loans originated or purchased in moderate-income geographies was well below the percentage of owner-occupied housing units and below the aggregate percentage of all reporting lenders.

**St. Louis MSA**

The geographic distribution of home mortgage loans was excellent. The bank's percentage of home mortgage loans originated or purchased in low-income geographies far exceeded the percentage of owner-occupied housing units and the aggregate percentage of all reporting lenders. The percentage of home mortgage loans originated or purchased in moderate-income geographies far exceeded the percentage of owner-occupied housing units and the aggregate percentage of all reporting lenders.

**Lending Gap Analysis**

The OCC analyzed HNB's geographic patterns of home mortgage loans by mapping loan originations and purchases throughout the AA. Examiners did not identify any unexplained conspicuous lending gaps.

**Distribution of Loans by Income Level of the Borrower**

The bank exhibits a reasonable distribution of loans to individuals of different income levels, given the product lines offered by the bank.

***Home Mortgage Loans***

Refer to Table P in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

**Missouri Non-MSA**

The distribution of home mortgage loans among individuals of different income levels was adequate. Examiners considered housing costs in relation to median family income in the AA, which limited the affordability for low-income families. The bank's percentage of home mortgage loans originated or purchased to low-income and to moderate-income borrowers was well below the percentage of those families in the AA. The bank's percentage of home mortgage loans originated or purchased to low-

income borrowers exceeded, and to moderate-income borrowers was in line with, the aggregate percentage of all reporting lenders.

### St. Joseph MSA

The distribution of home mortgage loans among individuals of different income levels was adequate. Examiners considered housing costs in relation to median family income in the AA, which limited the affordability for low-income families. The bank's percentage of home mortgage loans originated or purchased to low-and moderate-income borrowers was well below the percentage of those families in the AA. The bank's percentage of home mortgage loans originated or purchased to low-income borrowers was in line with, and to moderate-income borrowers was well below, the aggregate percentage of all reporting lenders.

### St. Louis MSA

The distribution of home mortgage loans among individuals of different income levels was adequate. Examiners considered housing costs in relation to median family income in the AA, which limited the affordability for low-income families. The bank's percentage of home mortgage loans originated or purchased to low-income borrowers was well below, and to moderate-income borrowers in line with, the percentage of those families in the AA. The bank's percentage of home mortgage loans originated or purchased to low-income borrowers far exceeded, and to moderate-income borrowers slightly below, the aggregate percentage of all reporting lenders.

## **Responses to Complaints**

HNB did not receive any CRA-related complaints during the evaluation period.

## **COMMUNITY DEVELOPMENT TEST**

The bank's performance under the CD Test in the state of Missouri is rated Satisfactory.

### **Conclusions for Areas Receiving Full-Scope Reviews**

Based on full-scope review, the bank exhibits adequate responsiveness to community development needs in the state through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AAs. We placed more weight on CD activities in the Missouri Non-MSA AA where the majority of loans, deposits, and branches are located

### **Number and Amount of Community Development Loans**

The CD Loans Table shown below sets forth the information and data used to evaluate the bank's level of CD lending. The table includes all CD loans including multifamily loans that also qualify as CD loans.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Missouri Non-MSA AA	0	0	0	0	0	0	11	\$2,130	11	\$2,130
St Joseph MSA AA	0	0	0	0	0	0	0	0	0	0
St Louis MSA AA	0	0	0	0	0	0	1	\$44	1	\$44
Broader Missouri Activities	0	0	0	0	0	0	1	\$6	1	\$6
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>\$2,180</b>	<b>12</b>	<b>\$543</b>
<i>Source: Bank Data Due to rounding, totals may not equal</i>										

### Missouri Non-MSA

HNB's level of CD lending provided adequate responsiveness to community credit needs in the AA. During the evaluation period, the bank originated 11 CD loans totaling \$2.1 million within the AA. This represents 3.5 percent of the AA's allocated tier one capital as of December 31, 2020. All originated CD loans were impactful as they were all Payment Protection Program (PPP) loans originated authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. These loans qualified for CD as the AA was declared a Category B disaster area.

### St. Joseph MSA

HNB did not have any qualified CD loans benefitting this AA during the evaluation period.

### St. Louis MSA

HNB's level of CD lending provided adequate responsiveness to community credit needs in the AA. During the evaluation period, the bank originated one CD loan totaling \$44,000 within the AA. CD loans were impactful as they were all PPP loans originated authorized under the CARES act. These loans qualified for CD as the AA was declared a Category B disaster area.

## Number and Amount of Qualified Investments

The Qualified Investments Table shown below sets forth the information and data used to evaluate the bank's level of qualified CD investments. The table includes all CD investments including prior period investments that remain outstanding as of the examination date.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Missouri Non-MSA AA	0	0	17	9,437	0	0	0	0	17	9,437
St Joseph MSA AA	0	0	0	0	0	0	0	0	0	0
St Louis MSA AA	0	0	1	271	0	0	0	0	1	271
<b>Total</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>9,708</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>9,708</b>
<i>Source: Bank Data Due to rounding, totals may not equal</i>										

Missouri Non-MSA

HNB's level of qualified investments demonstrated excellent responsiveness to community needs and opportunities in the AA. During the evaluation period, management purchased 10 municipal bonds totaling \$7.4 million and retained seven prior period investments with a book value of \$2 million for an overall total of \$9.4 million. These qualifying investments represent approximately 15.4 percent of the AA's allocated tier one capital as of December 31, 2020. All 17 investments were municipal bonds that provided funding for essential services to LMI individuals or supported local school districts within the AA.

St. Joseph MSA

HNB did not have any qualified investments benefitting the St. Joseph MSA AA during the evaluation period.

St. Louis MSA

HNB's level of qualified investments demonstrated adequate responsiveness to community needs and opportunities in the AA. During the evaluation period, HNB had one qualifying prior period investment benefitting the AA. In 2017, management purchased one municipal bond investment, with a book value of \$270,697 as of December 31, 2020, that provided vital infrastructure improvements to a recreational facility promoting revitalization/stabilization to a LMI geography. These qualifying investments represent approximately 4.4 percent of the AA's allocated tier one capital as of December 31, 2020.

**Extent to Which the Bank Provides Community Development Services**

The CD Services Table shown below sets forth the information and data used to evaluate the bank's level of qualified CD service activities during the evaluation period.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	# of Hours	# of Hours	# of Hours	# of Hours	# of Hours
Missouri Non-MSA AA	120	420	240	36	816
St Joseph MSA AA	0	48	0	36	84
St Louis MSA AA	0	360	0	0	360
<b>Total</b>	<b>120</b>	<b>828</b>	<b>240</b>	<b>72</b>	<b>1,260</b>

*Source: Bank Data  
Due to rounding, totals may not equal*

Missouri Non-MSA

HNB provided an excellent level of CD services in the AA. During the evaluation period, HNB had four employees that performed CD services supporting nonprofit originations providing community services to LMI families, three employees assisted in economic development of small businesses, two employees worked to provide affordable housing, and one employee assisted in an organization whose mission was to revitalize or stabilize the community within the AA. These employees served in both leadership and non-leadership roles providing financial/technical expertise to their respective nonprofit originations.

St. Joseph MSA

HNB provided a satisfactory level of CD services in the AA. During the evaluation period, HNB had one employee perform CD services for a non-profit organization and an economic development organization, and one employee perform CD services for a coalition focused on mental health and crisis intervention for LMI individuals. Both employees offered financial/technical expertise and served in non-leadership roles.

St. Louis MSA

HNB provided a satisfactory level of CD services in the AA. During the evaluation period, HNB had one employee perform CD services for a nonprofit origination that provided community services to LMI families. The employee offered financial/technical expertise and served in a non-leadership role.

## Appendix A: Scope of Examination

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The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/2018 to 12/31/2020	
<b>Bank Products Reviewed:</b>	Home mortgage loans, community development loans, qualified investments, community development services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None	Not Applicable	Not Applicable
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>State of Missouri</b>		
Missouri Non-MSA AA	Full-Scope	
St. Louis MSA	Full-Scope	
St. Joseph MSA	Full-Scope	

## Appendix B: Summary of MMSA and State Ratings

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RATINGS HNB National Bank			
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
HNB National Bank	Satisfactory	Satisfactory	Satisfactory
MMSA or State:			
St. Louis MSA	Satisfactory	Satisfactory	Satisfactory
St. Joseph MSA	Satisfactory	Needs to Improve	Satisfactory
Missouri Non-MSA	Satisfactory	Satisfactory	Satisfactory

(\*) The Lending Test and Community Development Test carry equal weight in the overall rating.

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**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, other secured consumer loans, and other unsecured consumer loans.

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

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

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

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**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:** Individual income that is less than 50 percent of the area median income.

**Low Income Geography:** A census tract with a median family income that is less than 50 percent.

**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 state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**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.

**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.

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report 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.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.
- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues -** Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography -** Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower -** Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

**Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography 2018-20**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Missouri Non-MSA AA	1,053	136,523	56.0	2,310	0.0	0.0	0.0	3.1	1.7	1.8	73.3	62.9	70.4	23.6	35.4	27.7	0.0	0.0	0.0
St Joseph MSA AA	420	63,304	22.3	3,808	0.7	0.7	0.4	14.6	8.6	10.4	55.0	53.6	50.7	29.7	37.1	38.5	0.0	0.0	0.0
St Louis MSA AA	408	81,801	21.7	43,857	0.4	1.0	0.3	8.9	11.0	6.2	38.0	62.0	37.7	52.8	26.0	55.7	0.0	0.0	0.0
<b>Total</b>	<b>1,881</b>	<b>281,629</b>	<b>100.0</b>	<b>49,975</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>9.0</b>	<b>5.3</b>	<b>6.4</b>	<b>44.7</b>	<b>60.6</b>	<b>40.2</b>	<b>45.9</b>	<b>33.8</b>	<b>53.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%

<b>Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower</b>																			<b>2018-20</b>	
	<b>Total Home Mortgage Loans</b>				<b>Low-Income Borrowers</b>			<b>Moderate-Income Borrowers</b>			<b>Middle-Income Borrowers</b>			<b>Upper-Income Borrowers</b>			<b>Not Available-Income Borrowers</b>			
<b>Assessment Area:</b>	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>Overall Market</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	<b>% Families</b>	<b>% Bank Loans</b>	<b>Aggregate</b>	
Missouri Non-MSA AA	1,053	136,523	56.0	2,310	17.0	4.3	3.8	17.6	12.2	12.7	21.3	17.9	16.8	44.1	57.6	47.8	0.0	8.2	18.8	
St Joseph MSA AA	420	63,304	22.3	3,808	20.7	4.3	4.4	17.3	11.4	17.4	22.4	20.2	21.9	39.5	56.2	38.2	0.0	7.9	18.2	
St Louis MSA AA	408	81,801	21.7	43,857	13.9	7.4	5.0	15.5	15.7	16.9	21.8	22.5	22.2	48.8	48.0	37.1	0.0	6.4	18.9	
<b>Total</b>	<b>1,881</b>	<b>281,629</b>	<b>100.0</b>	<b>49,975</b>	<b>15.3</b>	<b>4.9</b>	<b>4.9</b>	<b>16.0</b>	<b>12.8</b>	<b>16.8</b>	<b>21.9</b>	<b>19.4</b>	<b>21.9</b>	<b>46.8</b>	<b>55.2</b>	<b>37.6</b>	<b>0.0</b>	<b>7.7</b>	<b>18.8</b>	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.  
 Due to rounding, totals may not equal 100.0%