

St. Louis Equal Housing and Community Reinvestment Alliance

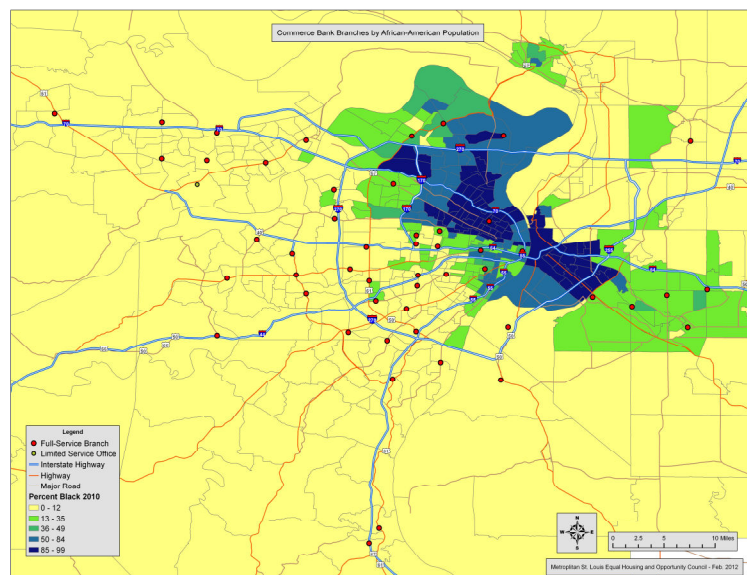
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Commerce Bank Summary Analysis

- Assets of nearly \$20.5 billion.
- Based in Kansas City, MO, and owned by Commerce Bancshares, a one-bank holding company.
- 4th largest institution in St. Louis MSA by deposits, with 6.85% of the market share. Ranks 3rd across state of Missouri in deposits.
- Assessment Area: Jefferson, St. Charles, St. Louis Counties, and St. Louis City, MO and Madison, Monroe, and St. Clair Counties in IL.
- Regulated by the Federal Reserve, recently switched from the OCC.
- Outstanding on last CRA exams, with Outstanding in lending and investments and Low Satisfactory in services for the St. Louis MSA:
 - Cites above aggregate lending to LMI borrowers in St. Louis MSA.
 - During exam period, made 44 community development loans totaling \$65 million and \$47.3 million in CRA investments in St. Louis MSA.
 - Cites closing cost assistance program for home purchase loans for qualified borrowers in LMI geographies, participation in Linked Deposit Program supporting small businesses, and Future Vehicles Financing program for auto loans for clients through DFS program.
 - Adequate branch locations, notes that there are no branches in low-income census tracts.
- Corporate social responsibility: cites high community involvement, charitable giving through Commerce Foundation, diversity in workforce with 67% female and 19% minority in employees company-wide.
- Branches: 51 branches in St. Louis metro area.

Branch Locations by Income of Census Tract	#	%
Total	51	
Low-Income	0	0.0%
Moderate-Income	8	15.7%
Middle-Income	18	35.3%
Upper-Income	25	49.0%

Branch Locations by Minority Population	#	%
Total	51	
under 10%	33	64.7%
10 – 19 %	8	15.7%
20 – 49 %	5	9.8%
50 – 79 %	4	7.8%
80% and more	1	2.0%



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HMDA in St. Louis

- Lending to African-American borrowers is similar to aggregate lending levels, with 4.51 percent of loans originated to African-American borrowers in the last three years. However, African-Americans represent 20 percent of population in market area.
- Lending to Hispanic borrowers is above the aggregate levels, with 1.36 percent of loans originated to Hispanic borrowers over the last three years.
- Disparities in origination rate and denial rates between African-American borrower and white borrowers. In the last three years, African-Americans were 2.38 times more likely to be denied than a white borrower. 60.64 percent of applications from African-American applicants were denied compared with 25.51 percent of white applicants. Disparity has been consistent over the last three years.
- High cost loan disparities between African-American and white borrowers in 2009 and 2008. In 2009, African Americans were 2.81 times more likely to receive a high cost loan than white borrowers. In 2008, they were 2.06 times more likely to receive a high cost loan than white borrower. There were no high cost loans reported in 2010. Over the last three years, 21.85 percent of loans originated to African-American borrowers were reported as high cost compared to only 10 percent of white borrowers reporting high cost loans.
- Disparities between origination rates and denial rates in loans to predominately minority areas. Over the last three years, 65.49 percent of loans for properties in over 80 percent minority were denied. Only 25.78 percent of loans for properties in less than 10 percent minority areas were denied.
- Good levels of lending to low- and moderate-income borrowers. 11.14 percent of loans to low-income borrowers, which is below demographics of families in the area. 18.50 percent of loans to moderate-income borrowers, which is above the percentage of moderate-income families in the area.
- Low-income borrowers significantly more likely to be denied than any other borrower. Over the last three years, 50 percent of low-income applicants are denied compared with an overall denial rate of 29.18 percent of applicants.

RACE AND ETHNICITY CHARACTERISTICS

APPLICATIONS									
<i>Borrower characteristics</i>	2010		2009		2008		Three Year Total		2010 Census
race/ethnicity	#	%	#	%	#	%	#	%	%
Total	1479		1703		1591		4773		
White	1119	75.66%	1323	77.69%	1216	76.43%	3658	76.64%	73.9%
Black	141	9.53%	116	6.81%	119	7.48%	376	7.88%	20.7%
Asian	24	1.62%	27	1.59%	33	2.07%	84	1.76%	2.4%
Other	195	13.18%	237	13.92%	223	14.02%	655	13.72%	3.0%
Hispanic	23	1.56%	26	1.53%	22	1.38%	71	1.49%	2.7%

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ORIGINATIONS											
<i>Borrower characteristics</i>	2010		2009		2008		Three Year Total		St. Louis MSA aggregate	2010 Census	
race/ethnicity	#	%	#	%	#	%	#	%	%	%	
Total	808		932		898		2638				
White	644	79.70%	754	80.90%	742	82.63%	2140	81.12%	82.44%	73.9%	
Black	43	5.32%	36	3.86%	40	4.45%	119	4.51%	4.94%	20.7%	
Asian	8	0.99%	11	1.18%	12	1.34%	31	1.18%	1.68%	2.4%	
Other	113	13.99%	131	14.06%	104	11.58%	348	13.19%	10.94%	3.0%	
Hispanic	12	1.49%	14	1.50%	10	1.11%	36	1.36%	0.86%	2.7%	

ORIGINATION RATE				
<i>borrower characteristics</i>	2010	2009	2008	Three Year Total
race/ethnicity	%	%	%	%
Total	54.63%	54.73%	56.44%	55.27%
White	57.55%	56.99%	61.02%	58.50%
Black	30.50%	31.03%	33.61%	31.65%
Asian	33.33%	40.74%	36.36%	36.90%
Other	57.95%	55.27%	46.64%	53.13%
Hispanic	52.17%	53.85%	45.45%	50.70%

DENIALS and DENIAL RATES								
<i>borrower characteristics</i>	2010		2009		2008		Three Year Total	
race/ethnicity	#	Denial rate	#	Denial rate	#	Denial rate	#	Denial rate
Total	459	31.03%	486	28.54%	448	28.16%	1393	29.18%
White	307	27.44%	340	25.70%	286	23.52%	933	25.51%
Black	90	63.83%	70	60.34%	68	57.14%	228	60.64%
Asian	15	62.50%	8	29.63%	12	36.36%	35	41.67%
Other	47	24.10%	68	28.69%	82	36.77%	197	30.08%
Hispanic	11	47.83%	10	38.46%	8	36.36%	29	40.85%

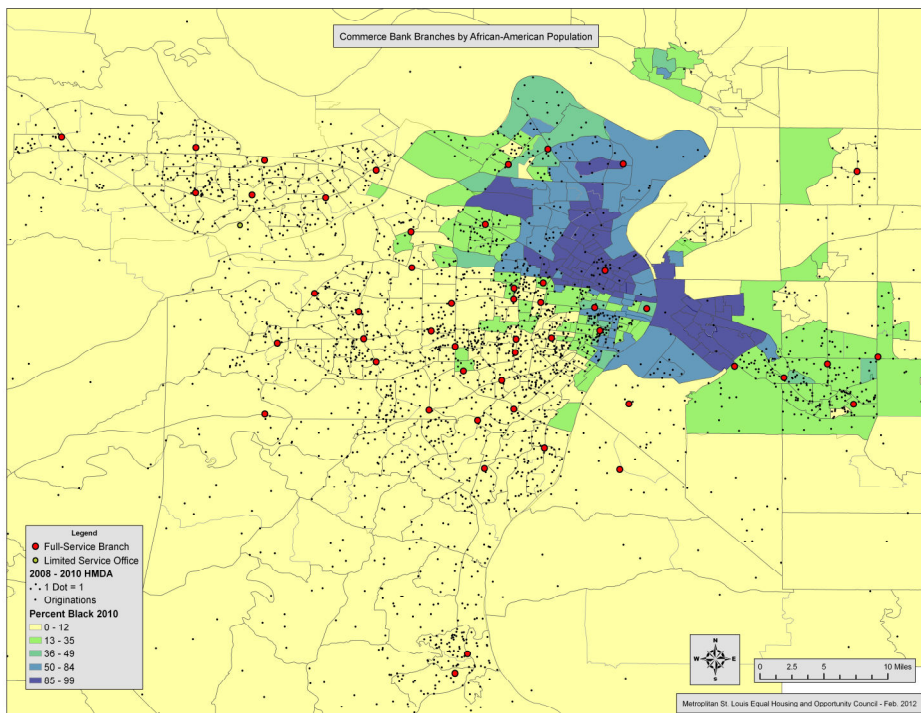
HIGH COST LOANS								
<i>borrower characteristics</i>	2010		2009		2008		Three Year Total	
race/ethnicity	#	% of originations	#	% of originations	#	% of originations	#	% of originations
Total	0	0.00%	119	12.77%	145	16.15%	264	10.01%
White	0	0.00%	97	12.86%	117	15.77%	214	10.00%
Black	0	0.00%	13	36.11%	13	32.50%	26	21.85%
Asian	0	0.00%	1	9.09%	3	25.00%	4	12.90%
Other	0	0.00%	8	6.11%	12	11.54%	20	5.75%
Hispanic	0	0.00%	3	21.43%	3	30.00%	6	16.67%

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ORIGINATIONS									
<i>Census tract characteristics</i>	2010		2009		2008		Three Year Total		Aggregate Lending
Minority Population	#	%	#	%	#	%	#	%	%
Total	808		932		898		2638		
< 10% Minority	552	68.32%	641	68.78%	601	66.93%	1794	68.01%	67.94%
10-19% Minority	130	16.09%	123	13.20%	127	14.14%	380	14.40%	13.95%
20-49% Minority	84	10.40%	118	12.66%	110	12.25%	312	11.83%	9.91%
50-79% Minority	24	2.97%	35	3.76%	32	3.56%	91	3.45%	3.21%
80-100% Minority	18	2.23%	15	1.61%	28	3.12%	61	2.31%	1.95%

<i>Census tract characteristics</i>	ORIGINATION RATE				DENIAL RATE			
	2010	2009	2008	Three Year Total	2010	2009	2008	Three Year Total
Minority Population	%	%	%	%	%	%	%	%
Total	54.63%	54.73%	56.44%	55.27%	31.03%	28.54%	28.16%	29.18%
< 10% Minority	57.68%	56.08%	57.90%	57.17%	26.85%	25.81%	24.76%	25.78%
10-19% Minority	63.41%	56.16%	61.95%	60.41%	21.95%	26.94%	24.39%	24.48%
20-49% Minority	48.55%	59.30%	55.28%	54.64%	38.15%	29.15%	34.17%	33.63%
50-79% Minority	38.10%	44.87%	47.06%	43.54%	52.38%	38.46%	39.71%	43.06%
80-100% Minority	22.22%	23.44%	34.57%	26.99%	71.60%	68.75%	56.79%	65.49%



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INCOME CHARACTERISTICS

ORIGINATIONS											
<i>Borrower Characteristics</i>	2010		2009		2008		Three Year Total		Aggregate Lending	Census	
Income Level	#	%	#	%	#	%	#	%	%	% of families	
Total	808		932		898		2638				
Low-Income	100	12.38%	84	9.01%	110	12.25%	294	11.14%	8.27%	19.23%	
Moderate-Income	166	20.54%	176	18.88%	146	16.26%	488	18.50%	18.93%	17.95%	
Middle-Income	176	21.78%	221	23.71%	213	23.72%	610	23.12%	22.92%	22.22%	
Upper-Income	331	40.97%	398	42.70%	376	41.87%	1105	41.89%	40.64%	40.60%	
NA	35	4.33%	53	5.69%	53	5.90%	141	5.34%	9.24%	0.00%	

DENIALS and DENIAL RATES								
<i>Borrower Characteristics</i>	2010		2009		2008		Three Year Total	
Income Level	#	Denial rate	#	Denial rate	#	Denial rate	#	Denial rate
Total	459	31.03%	486	28.54%	448	28.16%	1393	29.18%
Low-Income	141	52.81%	119	53.60%	107	43.85%	367	50.07%
Moderate-Income	116	37.06%	124	35.43%	104	35.14%	344	35.87%
Middle-Income	92	29.02%	112	28.72%	118	30.03%	322	29.27%
Upper-Income	109	20.07%	128	18.85%	116	19.30%	353	19.36%
NA	1	2.56%	3	4.84%	3	5.26%	7	4.43%

ORIGINATIONS											
<i>Census tract characteristics</i>	2010		2009		2008		Three Year Total		Aggregate Lending	Housing Units in CTs¹	
Income Level	#	%	#	%	#	%	#	%	%	%	
Total	808		932		898		2638				
Low-Income	9	1.11%	12	1.29%	13	1.45%	34	1.29%	1.03%	3.29%	
Moderate-Income	81	10.02%	104	11.16%	128	14.25%	313	11.87%	10.16%	17.20%	
Middle-Income	396	49.01%	440	47.21%	460	51.22%	1296	49.13%	50.26%	48.91%	
Upper-Income	322	39.85%	376	40.34%	297	33.07%	995	37.72%	35.48%	30.60%	
NA	0	0.00%	0	0.00%	0	0.00%	0	0.00%	3.07%	0%	

¹ Percentage of owner-occupied housing units by census tract and income levels.