

St. Louis Equal Housing and Community Reinvestment Alliance

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Midwest BankCentre
Analysis (June 2012)

- \$1.1 billion in assets.
- Owned by Midwest BankCentre, Inc., a one-bank holding company that is a subsidiary of Stupp Bros., Inc.
- Regulated by the Federal Reserve.
- Scheduled for CRA exam in 2nd Quarter 2012.
- Needs to Improve rating on last CRA exam in November 2009.
 - Poor penetration in lending to LMI areas, lending gaps in LMI areas, inaccessible branch locations for LMI areas, substantive violations of the Equal Credit Opportunity Act and Fair Housing Act.
- Assessment Area: St. Louis City, St. Louis County, St. Charles County, and Jefferson County. Changed in 2010 to include entireties of these counties.
- Consent Order with Department of Justice in June 2011, committing a new branch and \$1.45 million in products, services, and outreach to predominately African-American communities.
- Seven current branch locations, with one in Pagedale opening in 4th Quarter 2012. Recently sold limited-service facilities to Eagle Bank and Trust. Closed branch in Rockford, IL.

Name	Street	City	State	Zip	Tract Income Level*	% Minority	% Black	% Hispanic
Arnold	1950 Richardson Road	Arnold	MO	63010	Middle	3.18%	0.20%	1.23%
WingHaven	2299 Technology Drive	O'Fallon	MO	63366	Upper	4.56%	1.56%	0.91%
Clayton	8020 Forsyth	Clayton	MO	63105	Upper	8.05%	1.5%+	1.45%
Lemay	2191 Lemay Ferry Road	Saint Louis	MO	63125	Moderate	4.25%	0.74%	1.84%
Oakville	5575 Telegraph Road	Saint Louis	MO	63129	Upper	3.05%	0.34%	0.97%
Fenton	1007 Bowles Avenue	Fenton	MO	63026	Upper	3.66%	1.03%	1.02%
Chesterfield	17050 Baxter Road	Chesterfield	MO	63005	Upper	9.68%	1.68%	2.30%
Pagedale (opening end of 2012)	6810 Page Ave.	St. Louis	MO	63133	Moderate	85.56%	83.01%	0.53%

* according to 2012 FFIEC census designations. + This census tract includes the St. Louis County jail, so the population of households is considered instead.

HMDA

- Overall increase in loan applications and originations. Since 2008, application volume has increased by 460%. Origination volume has increased by 926%.
- Dramatic increase in applications from African-American borrowers in 2011. In 2008, the bank had 5 applications (3.03%). In 2011, the bank received 57 applications (6.17%). Increase by 1040% for African-American applicants. Increase for white borrowers is 501%.
- Originations to African-Americans in 2011 is 3.56% of all originations – 27 loans. In 2010, made 5 originations, and years prior was zero. Increase in originations, but proportion of all originations is still low.
- Decreasing denial rate for African-American borrowers, but still a high disparity between African-Americans and White borrowers. In 2011, 36.84 percent of blacks were denied compared to 7.35 percent of whites denied.
- Overall, origination rates have increased and denial rates have decreased from 2008 to 2011.

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- Lending to low- and moderate-income borrowers is concerning. In 2011, 4.22 percent originated to low-income borrowers and 7.38 percent to moderate-income borrowers. Comparatively, 18 percent of families in the bank's assessment area are considered low-income and 17.4 percent of families are considered moderate-income.
- The volume of loans to LMI borrowers has increased since 2008, but not as significant when compared to the increase in lending to middle- and upper-income borrowers. Since 2008, lending to low-income borrowers increased 255%, lending to moderate-income borrowers increased 522%, but lending to upper-income borrowers increase 1400%.
- Lending to low- and moderate-income census tracts is low. In 2010, only 3 loans (0.49 percent) of loans originated to low-income census tracts and only 13 loans (2.10 percent) originated to moderate-income census tracts. Over half (67 percent) of all loans in 2010 originated to upper-income census tracts.

APPLICATIONS									
<i>Borrower characteristics</i>	2011		2010		2009		2008		Percent Change (08-11)
	#	%	#	%	#	%	#	%	
TOTAL	924		750		153		165		460.00%
White	776	83.98%	692	92.27%	126	82.35%	129	78.18%	501.55%
Black	57	6.17%	15	2.00%	6	3.92%	5	3.03%	1040.00%
Asian	13	1.41%	8	1.07%	2	1.31%	4	2.42%	225.00%
Other	78	8.44%	35	4.67%	19	12.42%	27	16.36%	188.89%
Hispanic	8	0.87%	5	0.67%	2	1.31%	1	0.61%	700.00%

ORIGINATIONS										
<i>Borrower characteristics</i>	2011		2010		2009		2008		Percent Change (08-11)	Households in AA
	#	%	#	%	#	%	#	%		
TOTAL	759		618		79		74		925.68%	
White	655	86.30%	582	94.17%	70	88.61%	58	78.38%	1029.31%	75.3%
Black	27	3.56%	5	0.81%	0	0.00%	0	0.00%	#DIV/0!	20.4%
Asian	8	1.05%	5	0.81%	1	1.27%	3	4.05%	166.67%	2.3%
Other	69	9.09%	26	4.21%	8	10.13%	13	17.57%	430.77%	1.9%
Hispanic	5	0.66%	5	0.81%	0	0.00%	1	1.35%	400.00%	1.8%

ORIGINATION RATE					DENIAL RATE			
<i>Borrower characteristics</i>	2011	2010	2009	2008	2011	2010	2009	2008
TOTAL	82.14%	82.40%	51.63%	44.85%	9.20%	11.33%	24.18%	21.82%
White	84.41%	84.10%	55.56%	44.96%	7.35%	9.68%	21.43%	22.48%
Black	47.37%	33.33%	0.00%	0.00%	36.84%	66.67%	50.00%	80.00%
Asian	61.54%	62.50%	50.00%	75.00%	15.38%	25.00%	0.00%	0.00%
Other	88.46%	74.29%	42.11%	48.15%	6.41%	17.14%	36.84%	11.11%
Hispanic	62.50%	100.00%	0.00%	100.00%	37.50%	0.00%	100.00%	0.00%

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APPLICATIONS									
<i>Borrower Characteristics</i>	2011		2010		2009		2008		Percent Change (08-11)
Income Level	#	%	#	%	#	%	#	%	
TOTAL	924		750		153		165		460.00%
Low-Income	54	5.84%	31	4.13%	18	11.76%	26	15.76%	107.69%
Moderate-Income	81	8.77%	57	7.60%	22	14.38%	29	17.58%	179.31%
Middle-Income	135	14.61%	125	16.67%	26	16.99%	29	17.58%	365.52%
Upper-Income	545	58.98%	468	62.40%	63	41.18%	51	30.91%	968.63%
NA	109	11.80%	69	9.20%	24	15.69%	30	18.18%	263.33%

ORIGINATIONS										
<i>Borrower Characteristics</i>	2011		2010		2009		2008		Percent Change (08-11)	Family Population in AA
Income Level	#	%	#	%	#	%	#	%	%	%
TOTAL	759		618		79		74		925.68%	
Low-Income	32	4.22%	19	3.07%	8	10.13%	9	12.16%	255.56%	18.2%
Moderate-Income	56	7.38%	40	6.47%	8	10.13%	9	12.16%	522.22%	17.4%
Middle-Income	116	15.28%	101	16.34%	13	16.46%	14	18.92%	728.57%	21.7%
Upper-Income	465	61.26%	409	66.18%	37	46.84%	31	41.89%	1400.00%	42.7%
NA	90	11.86%	49	7.93%	13	16.46%	11	14.86%	718.18%	0%

ORIGINATIONS									
<i>Census Tract Characteristics</i>	2011		2010		2009		2008		Census Tracts in AA
Racial Composition	#	%	#	%	#	%	#	%	% of total
< 10% Minority	NA		484	78.32%	66	83.54%	66	89.19%	46.93%
10-19% Minority	NA		80	12.94%	3	3.80%	2	2.70%	12.27%
20-49% Minority	NA		41	6.63%	5	6.33%	2	2.70%	15.73%
50-79% Minority	NA		10	1.62%	4	5.06%	2	2.70%	9.07%
80-100% Minority	NA		3	0.49%	1	1.27%	2	2.70%	16.00%
Income characteristic									
Low-Income	NA		3	0.49%	3	3.80%	0	0.00%	5.2%
Moderate-Income	NA		13	2.10%	6	7.59%	10	13.51%	18.1%
Middle-Income	NA		186	30.10%	35	44.30%	38	51.35%	43.8%
Upper-Income	NA		416	67.31%	35	44.30%	26	35.14%	32.9%
NA	NA		0	0.00%	0	0.00%	0	0.00%	0%
TOTAL	759		618		79		74		

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Small Business Lending

- According to CRA disclosure on Small Business Lending, the Bank originated 2.33 percent of loans to small businesses located in low-income census tracts and 13.02 percent to businesses located in moderate-income census tracts. This is an increase since 2008, and overall the bank's Small Business lending greatly increased. In comparison, there are 5.2 percent of businesses located in low-income census tracts and 17 percent of businesses in moderate-income census tracts.

<i>Census Tract Characteristic</i>	2010		2009		2008		Business Institutions in AA
	#	%	#	%	#	%	
TOTAL	215		59		91		
Low-Income	5	2.33%	1	1.69%	2	2.20%	5.2%
Moderate-Income	28	13.02%	6	10.17%	9	9.89%	17.0%
Middle-Income	105	48.84%	37	62.71%	47	51.65%	40.2%
Upper-Income	75	34.88%	13	22.03%	32	35.16%	37.2%
NA	2	0.93%	2	3.39%	1	1.10%	0.4%

Community Development Loans and Investments

Community Development Loans - Year	Number of New/Renewed Loans	Dollar Amount of New/Renewed Loans
2009	1	\$1,910,276.00
2010	9	\$4,066,146.24
2011	13	\$22,685,785.00

Year	# Donations	\$ Donated	# New Investments	\$ New Investments	# of Investments for Year	\$ of Investments for Calendar Year
2009	18	\$48,240.00	1	\$200,000.00	19	\$248,240.00
2010	27	\$67,180.21	4	\$1,798,998.00	31	\$1,866,178.21
2011	34	\$90,484.00	9	\$4,436,370.80	43	\$4,526,854.80

Other Activities:

- Extremely active participation in St. Louis Unbanked Taskforce.
- Created position of Director of Community Development, as well as hired Community Development lenders and bankers.
- New products: Home Improvement Loan product, Credit Building loan, and Confidence Checking.
- Working with Federal Home Loan Bank of Des Moines to provide grants for affordable housing through Beyond Housing, Better Family Life – 1.5 million in 2011.