

St. Louis Equal Housing and Community Reinvestment Alliance

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M&I Bank and Bank of Montreal merger

Bank of Montreal is applying to acquire M&I, a holding company with bank branches in _ markets. M&I currently owns and operates Southwest Bank, which has 17 locations in the St. Louis region. Bank of Montreal is currently the parent company for Harris Bank, with branches in _ markets.

M&I performance in St. Louis

- Southwest Bank of St. Louis was first chartered in the City of St. Louis in 1920
- In October 2002, M&I acquired Southwest Bank of St. Louis but the bank remained under the name Southwest Bank. They had six locations in St. Louis City and St. Louis County.
- In 2004, the bank expanded into St. Clair County with a branch in Belleville.
- In 2006, Southwest Bank acquired Missouri State Bank, adding 10 branches to their network and expanding into Jefferson County and St. Charles County with locations.
- In 2009, the bank added M&I to the end of their name, known as Southwest Bank, an M&I Bank.
- In July 2010, Southwest Bank merged completely into M&I Bank.

Branch Locations

Name	Address	City, State Zip	County	Income Level	% Minority	% Black
The Hill	2301 S. Kingshighway Blvd.	St. Louis, MO 63110	St. Louis City	Moderate	33.63	20.34%
Southtown	4210 S. Kingshighway Blvd.	St. Louis, MO 63109	St. Louis City	Moderate	18.44	8.82%
Downtown	100 S. Fourth St.	St. Louis, MO 63102	St. Louis City	Moderate	56.59	50.79%
St. Louis Hills	3280 Hampton Ave.	St. Louis, MO 63139	St. Louis City	Middle	19.81	12.22%
Clayton East	101 S. Hanley Rd. Suite 100	St. Louis, MO 63105	St. Louis County	Upper	10.94	0.72%
Clayton West	700 Corporate Park Dr	St. Louis, MO 63105	St. Louis County	Upper	26.11	20.63%
Crestwood	9206 Watson Rd	St. Louis, MO 63126	St. Louis County	Middle	5.59	0.97%
Concord Village	5256 S. Lindbergh Blvd.	St. Louis, MO 63126	St. Louis County	Middle	3.32	0.44%
Sunset Hills	3701 S. Lindbergh Blvd.	St. Louis, MO 63127	St. Louis County	Upper	3.23	0.21%
Creve Coeur East	10911 Olive Blvd.	St. Louis, MO 63141	St. Louis County	Middle	17.17	8.26%
Jefferson County	1060 Jeffco Blvd.	Arnold, MO 63010	Jefferson	Middle	2.4	0.17%
Des Peres	13205 Manchester Rd.	St. Louis, MO 63131	St. Louis County	Upper	9.84	1.10%
Creve Coeur West	12452 Olive Street Rd.	St. Louis, MO 63141	St. Louis County	Upper	12.77	4.16%
Belleville	2 Carlyle Plaza Dr.	Belleville, IL 62221	St. Clair	Middle	25.88	19.50%
Ellisville	3095 Clarkson Rd.	Chesterfield, MO 63017	St. Louis County	Upper	6.96	2.38%
Laura Hill	101 Laura K Drive	O'Fallon, MO 63366	St. Charles	Middle	5.75	1.87%
Wing Haven	3001 Winghaven Blvd.	O'Fallon, MO 63368	St. Charles	Upper	4.56	1.56%

CRA performance evaluations

M&I Corp. Subsidiaries:

- M&I Bank – Outstanding ratings on last 9 CRA exams since 1994. Received High Satisfactory on Lending test, and Outstanding on Investment and Service tests in 2009 exam.
- M&I Bank FSB – Satisfactory on exam in 2008, with Low Satisfactory on Lending and Service tests, and Outstanding on Investment test.
- Southwest Bank (now part of M&I Bank):

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Name	Regulator	Date	Overall Rating	Lending	Investments	Services
Southwest Bank of St. Louis	FDIC	11/12/1996	Outstanding	N/A	N/A	N/A
Southwest Bank of St. Louis	FDIC	4/19/1999	Satisfactory	High Satisfactory	High Satisfactory	High Satisfactory
Southwest Bank of St. Louis	FDIC	12/5/2001	Outstanding	High Satisfactory	Outstanding	Outstanding
Southwest Bank	Fed	8/11/2003	Satisfactory	High Satisfactory	Outstanding	High Satisfactory
Southwest Bank	Fed	8/15/2005	Outstanding	High Satisfactory	Outstanding	Outstanding
Southwest Bank	Fed	10/29/2007	Outstanding	High Satisfactory	Outstanding	Outstanding
Southwest Bank, an M&I Bank	Fed	2/16/2009	Outstanding	Outstanding	Outstanding	High Satisfactory

Lending Performance

- Southwest Bank still reported mortgage and small business lending data separately from M&I Bank, but other M&I affiliates did a substantial amount of lending to the St. Louis MSA, specifically through M&I FSB and their Home Lending Solutions divisions that sells wholesale mortgage products through mortgage brokers.
- Southwest Bank's lending to African-Americans needs to improve. They have excellent penetration to Hispanic borrowers, and are satisfactory in lending to LMI communities.
 - African-American borrowers received only 2.88 percent of all loan originations over the last three years. Loan volume and market share to African-American borrowers has decreased substantially since 2007.
 - African Americans are more likely to be denied a loan, with 53.44 percent of African American loan applications denied. White applications were denied 23.76 percent, making a 2.25 disparity. Disparity has increased since 2007.
 - Hispanic borrowers received 3.75 percent of loan originations, a substantially higher market share than aggregate lending.
 - The bank originated nearly 12 percent of originations to predominately minority geographies over the last three years.
 - The bank originated 5.50 percent of loans to low-income borrowers, and 12.20 percent to moderate-income borrowers.
 - Low-income census tracts received 4.36 percent of loans, and moderate-income census tracts 16.82 percent.
 - Over 30 percent of originations did not report race or income characteristics, meaning loans originated to businesses or investors because bank is primarily a commercial bank.

		ORIGINATIONS								St. Louis MSA Aggregate (2007-2009)
		2009		2008		2007		three year total		
		#	%	#	%	#	%			
<i>borrower characteristics</i>										
<i>race/ethnicity</i>										
	White	294	69.01%	232	48.95%	298	50.34%	824	55.23%	78.96%
	Black	8	1.88%	13	2.74%	22	3.72%	43	2.88%	7.17%
	Asian	30	7.04%	24	5.06%	28	4.73%	82	5.50%	1.46%
	Other	94	22.07%	205	43.25%	244	41.22%	543	36.39%	12.42%
	Hispanic	15	3.52%	19	4.01%	22	3.72%	56	3.75%	0.84%

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	2009		2008		2007		three year total		
	#	%	#	%	#	%			
Low	28	6.57%	20	4.22%	34	5.74%	82	5.50%	8.67%
Moderate	62	14.55%	53	11.18%	67	11.32%	182	12.20%	20.41%
Middle	82	19.25%	53	11.18%	58	9.80%	193	12.94%	23.96%
Upper	214	50.23%	141	29.75%	232	39.19%	587	39.34%	38.46%
NA	40	9.39%	207	43.67%	201	33.95%	448	30.03%	8.50%
Census tract characteristics	2009		2008		2007		three year total		
racial composition	#	%	#	%	#	%			
< 10% Minority	307	72.07%	235	49.58%	333	56.25%	875	58.65%	63.45%
10-19% Minority	52	12.21%	88	18.57%	72	12.16%	212	14.21%	13.33%
20-49% Minority	45	10.56%	81	17.09%	101	17.06%	227	15.21%	11.13%
50-79% Minority	19	4.46%	45	9.49%	46	7.77%	110	7.37%	4.27%
80-100% Minority	3	0.70%	25	5.27%	40	6.76%	68	4.56%	3.35%
Income characteristic									
Low	3	0.70%	26	5.49%	36	6.08%	65	4.36%	1.66%
Moderate	38	8.92%	104	21.94%	109	18.41%	251	16.82%	12.85%
Middle	168	39.44%	182	38.40%	232	39.19%	582	39.01%	49.96%
Upper	216	50.70%	161	33.97%	215	36.32%	592	39.68%	31.01%
NA	1	0.23%	1	0.21%	0	0.00%	2	0.13%	4.51%
TOTAL	426		474		592		1492		

Southwest Bank's Small Business Lending

Southwest Bank	2009		2008		2007		Three-Year		Percent of Businesses
Total	716		1222		1457		3395		
Low Income CT	38	5.31%	59	4.83%	84	5.77%	181	5.33%	5.6%
Moderate Income CT	113	15.78%	200	16.37%	232	15.92%	545	16.05%	17.5%
Middle Income CT	279	38.97%	478	39.12%	614	42.12%	1371	40.38%	42.1%
Upper Income CT	277	38.69%	474	38.79%	510	35.00%	1261	37.14%	34.3%
Other	9	1.26%	11	0.90%	17	1.17%	37	1.09%	NA

Bank of Montreal

Subsidiaries

- Harris National Association, Chicago, IL (14583) – received Satisfactory on last CRA exams in July 2009 and in June 2006, with High Satisfactory ratings in Lending, Investments, and Services.
- The Harris Bank, N.A., Scottsdale, AZ (24380) – received Satisfactory on last CRA exams in July 2009 and July 2006, with a High Satisfactory in the Lending test, an Outstanding in the Investment test, and a Low Satisfactory in the Service test for both examinations.