

PUBLIC DISCLOSURE

September 6, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

St. Johns Bank and Trust Company
Certificate Number: 8898

8924 St. Charles Rock Road
St. Louis, Missouri 63114

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Kansas City Regional Office

1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of 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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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

The following points summarize the bank's Community Reinvestment Act (CRA) performance:

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- The institution made a majority of its small business and home mortgage loans within its assessment area.
- The geographic distribution of small business and home mortgage loans reflects reasonable dispersion throughout the assessment area.
- The distribution of borrowers reflects reasonable penetration among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DESCRIPTION OF INSTITUTION

St. Johns Bank and Trust Company is headquartered in St. Louis, Missouri. The bank is wholly-owned by Unity Bancshares, LLC, a one-bank holding company also located in St. Louis. The bank received a Satisfactory rating at the November 18, 2019, FDIC CRA Performance Evaluation, based on Interagency Small Institution Examination Procedures.

In addition to its main office, the bank operates three full-service branches in Bridgeton, O'Fallon, and St. Peters, Missouri. A deposit-taking automated teller machine (ATM) is located at each office. St. Johns Bank and Trust Company closed its full-service branch and deposit-taking ATM in St. Charles, Missouri, on December 3, 2021. However, the branch was located in a middle-income geography surrounded by upper-income geographies and therefore the closure did not affect the bank's ability to serve customers in low- or moderate-income areas.

St. Johns Bank and Trust Company offers a variety of loan products for commercial, residential real estate, and consumer purposes. In addition, the institution offers commercial and consumer deposit products, including checking and savings accounts, money market accounts, certificates of deposit, individual retirement accounts, and health savings accounts. Alternative banking services include telephone, online, mobile, and text banking; mobile check deposit; and electronic bill pay.

According to the Consolidated Reports of Condition and Income as of June 30, 2022, total assets equaled approximately \$358.3 million, and included total loans and total securities of \$226.6 and \$79.6 million, respectively. Total deposits equaled \$332.3 million. These figures represent an increase from the prior evaluation when total assets equaled \$293.2 million, total loans equaled \$207.4 million, total securities equaled \$42.7 million, and total deposits equaled \$262.8 million.

As illustrated in the following table, the bank's portfolio is primarily composed of commercial loans at 58.8 percent and residential real estate (home mortgage) loans at 33.1 percent. The concentration in commercial and home mortgage lending is consistent with the loan portfolio distribution at the prior evaluation, and these loan types continue to represent the bank's primary business focus. Examiners did not identify any financial, legal, or other impediments that would limit the bank's ability to meet the credit needs of its assessment area.

Loan Portfolio Distribution as of June 30, 2022		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	15,762	7.0
Secured by Farmland	76	<0.1
Secured by 1-4 Family Residential Properties	37,658	16.6
Secured by Multi-family (5 or more) Residential Properties	37,321	16.5
Secured by Nonfarm Nonresidential Properties	124,385	54.9
Total Real Estate Loans	215,202	95.0
Commercial and Industrial Loans	8,839	3.9
Agricultural Production and Other Loans to Farmers	0	0.0
Consumer Loans	1,913	0.8
Obligations of State and Political Subdivisions in the U.S.	569	0.3
Other Loans	47	0.0
Lease Financing Receivable (net of unearned income)	0	0.0
Less: Unearned Income	0	0.0
Total Loans	226,570	100.0
<i>Source: Reports of Condition and Income</i>		

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. St Johns Bank and Trust Company has designated one assessment area that is comprised of all of St. Charles County, St. Louis City, and St. Louis County, which are located in Missouri and make up a portion of the St. Louis, MO-IL Metropolitan Statistical Area (MSA). The boundaries of the assessment area have not changed since the prior evaluation. According to 2015 American Community Survey (ACS) data, the assessment area includes 57 low-income, 77 moderate-income, 108 middle-income, and 138 upper-income census tracts. Four census tracts do not have an income designation.

Economic and Demographic Data

The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	384	14.9	20.1	28.1	35.9	1.0
Population by Geography	1,693,982	10.4	18.6	30.0	40.6	0.4
Housing Units by Geography	759,371	12.0	19.9	30.4	37.3	0.4
Owner-Occupied Units by Geography	453,423	5.6	16.1	31.5	46.6	0.2
Occupied Rental Units by Geography	226,929	18.6	25.5	31.0	24.1	0.8
Vacant Units by Geography	79,019	30.1	25.6	22.2	21.7	0.4
Businesses by Geography	157,004	7.3	17.7	27.3	46.5	1.2
Farms by Geography	3,177	4.0	15.5	33.1	46.7	0.7
Family Distribution by Income Level	427,194	20.9	16.1	19.0	44.0	0.0
Household Distribution by Income Level	680,352	23.8	15.6	16.9	43.7	0.0
Median Family Income – St. Louis, MO-IL MSA		\$70,718	Median Housing Value			\$181,548
Families Below Poverty Line		9.2%	Median Gross Rent			\$856
Source: 2015 ACS Data; 2021 D&B Data; FFIEC-Estimated Median Family Income (*) The NA category consists of geographies that have not been assigned an income classification.						

The Federal Financial Institutions Examination Council (FFIEC) median family income is used to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the 2021 median family income ranges for the St. Louis, MO-IL MSA.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2021 (\$84,700)	<\$42,350	\$42,350 to <\$67,760	\$67,760 to <\$101,640	≥\$101,640
Source: FFIEC				

Competition

The assessment area is highly competitive for financial services. According to FDIC Deposit Market Share data, as of June 30, 2021, there were 65 institutions operating 490 offices within the assessment area. Of these institutions, St. Johns Bank and Trust Company ranked 33rd with a deposit market share of 0.3 percent.

There is also a significant level of demand and competition for small business and home mortgage loans within the assessment area. Aggregate data from 2020 shows that 192 lenders reported 44,901 small business loans and 473 lenders reported 120,962 home mortgage loans originated or purchased within the assessment area. St. Johns Bank and Trust Company is not required to collect or report data for small business or home mortgage loans; however, the data is included as an indicator of the level of demand for this product.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to maintain a profile of the local community, identify credit needs and opportunities, and evaluate the responsiveness of local financial institutions to those needs. For this evaluation, examiners reviewed a previously conducted community contact interview with a community development organization that serves the St. Louis, MO-IL MSA. The contact noted continuing financial struggles in the northern portions of St. Louis City and St. Louis County, and focused on the issue of vacant and dilapidated housing. The contact stated that needs exist for unconventional home purchase and rehabilitation loans and financing for new small businesses. Finally, the contact indicated that local financial institutions are generally meeting the need for traditional small business and home mortgage financing.

Credit Needs

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small business and home mortgage loans represent the primary credit needs of the assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated November 18, 2019, to the current evaluation dated September 6, 2022. Examiners used the Interagency Small Institution Examination Procedures to evaluate St. Johns Bank and Trust Company's CRA performance. These procedures evaluate an institution's performance according to the Lending Test criteria as detailed in the Appendices.

Activities Reviewed

As noted earlier, examiners determined that the bank's major product lines include commercial and home mortgage loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated, renewed, and extended during the evaluation period. Given this information, examiners reviewed small business and home mortgage lending to evaluate the bank's CRA performance. Examiners did not review small farm loans during this evaluation as agricultural lending is not a focus of the bank and agricultural loans comprise less than 1.0 percent of the loan portfolio. For the Lending Test, small business loans received the most weight when drawing overall conclusions, as commercial loans are the institution's primary lending focus and comprise the largest portion of the loan portfolio.

Management indicated that the bank's lending activity in 2021 was representative of the lending performance throughout the evaluation period. Therefore, examiners selected 2021, the most recent calendar year, as the review period. According to bank data, in 2021 St. Johns Bank and Trust Company originated, renewed, or extended 186 small business loans totaling \$29.2 million and 150 home mortgage loans totaling \$30.9 million. Examiners reviewed the entire universe of loans for

the Assessment Area Concentration analysis. The Geographic Distribution analysis focused on all loans made within the assessment areas. As revenue information was not readily available, examiners evaluated a sample of small business and home mortgage loans made within the assessment area for the Borrower Profile analysis. Specifically, examiners sampled 51 small business loans totaling \$9.7 million and 47 home mortgage loans totaling \$8.9 million. Finally, 2021 D&B data provided a standard of comparison for the small business loans and home mortgage lending was compared to 2015 ACS data.

Examiners analyzed lending performance by both number and dollar volume of loans. However, examiners emphasized performance by number of loans, as the number of loans is generally a better indicator of the efforts to serve small businesses and low- and moderate-income geographies and individuals.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

St. Johns Bank and Trust Company demonstrated satisfactory performance under the Lending Test. The bank's loan-to-deposit ratio, assessment area concentration, geographic distribution, and borrower profile performance support this conclusion.

Loan-to-Deposit Ratio

The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. As shown in the table below, St. Johns Bank and Trust Company's net loan-to-deposit ratio averaged 71.3 percent over the past 11 calendar quarters, which reasonably compares to the ratios of similarly-situated institutions. Examiners selected these comparable institutions based on their asset size, lending focus, branching structure, and geographic location.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 6/30/2022 (\$000s)	Average Net Loan-to-Deposit Ratio (%)
St. Johns Bank and Trust Company, St. Louis, Missouri	358,297	71.3
Commercial Bank, St. Louis, Missouri	296,974	65.2
Bank of Franklin County, Washington, Missouri	327,489	79.5
<i>Source: Reports of Condition and Income 12/31/2019 - 6/30/2022</i>		

Assessment Area Concentration

As detailed in the following table, St. Johns Bank and Trust Company made a majority of small business and home mortgage loans within its assessment area.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	160	86.0	26	14.0	186	22,365	76.6	6,834	23.4	29,199
Home Mortgage	112	74.7	38	25.3	150	25,973	84.1	4,894	15.9	30,867
Total	272	81.0	64	19.0	336	48,338	80.5	11,728	19.5	60,066
Source: Bank Data										

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the assessment area, which is supported by reasonable performance for both product types.

Small Business Lending

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. As reflected in the table below, St. Johns Bank and Trust Company's performance in low- and moderate-income census tracts slightly exceeds demographic data.

Geographic Distribution of Small Business Loans					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	7.3	17	10.6	1,762	7.9
Moderate	17.7	31	19.4	3,308	14.8
Middle	27.3	52	32.5	5,421	24.2
Upper	46.5	56	35.0	11,499	51.4
Not Available	1.2	4	2.5	374	1.7
Totals	100.0	160	100.0	22,365	100.0
<i>Source: 2021 D&B Data; Bank Data</i>					

Home Mortgage Lending

The geographic distribution of home mortgage loans reflects reasonable dispersion throughout the assessment area. As illustrated in the following table, St. Johns Bank and Trust Company's performance in low- and moderate-income census tracts is comparable to demographic data.

Geographic Distribution of Home Mortgage Loans					
Tract Income Level	% of Owner-Occupied Housing Units	#	%	\$(000s)	%
Low	5.6	3	2.7	224	0.9
Moderate	16.1	24	21.4	1,542	5.9
Middle	31.5	25	22.3	5,926	22.8
Upper	46.6	60	53.6	18,281	70.4
Not Available	0.2	0	0.0	0	0.0
Totals	100.0	112	100.0	25,973	100.0
<i>Source: 2015 ACS Data; Bank Data</i>					

Borrower Profile

The distribution of borrowers reflects reasonable penetration among businesses of different revenues sizes and individuals of different income levels within the assessment area, which is supported by reasonable performance in both lending categories.

Small Business Lending

The distribution of small business loans reflects reasonable penetration among businesses of different revenue sizes in the assessment area. As detailed in the table that follows, the bank's lending performance to businesses with gross annual revenues of \$1 million or less trails the percentage of business in this revenue category by 14.6 percent. Although the bank's lending performance is lower than demographic data, there is a significant level of competition for small business loans in the assessment area. Per CRA aggregate data, 192 lenders reported 44,901 small business loans within the assessment area in 2020. In addition, examiners noted that St. Johns Bank and Trust Company actively assisted small businesses in a time of need by participating in the Small Business Administration's Paycheck Protection Program. Considering these efforts, the bank's lending performance demonstrates reasonable responsiveness to the credit needs of small businesses.

Distribution of Small Business Loans by Gross Annual Revenue Category					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
≤ \$1,000,000	85.2	36	70.6	6,700	68.8
> \$1,000,000	5.6	9	17.6	2,530	26.0
Revenue Not Available	9.2	6	11.8	503	5.2
Total	100.0	51	100.0	9,733	100.0
<i>Source: 2021 D&B Data; Bank Data</i>					

Home Mortgage Lending

The distribution of home mortgage loans reflects reasonable penetration among individuals of different income levels in the assessment area. As reflected in the following table, St. Johns Bank and Trust Company's lending performance to low- and moderate-income families is comparable to demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level					
Borrower Income Level	% of Families	#	%	\$(000s)	%
Low	20.9	9	19.1	451	5.0
Moderate	16.1	10	21.3	854	9.6
Middle	19.0	8	17.0	521	5.8
Upper	44.0	17	36.2	6,726	75.2
Income Not Available	0.0	3	6.4	397	4.4
Total	100.0	47	100.0	8,949	100.0
<i>Source: 2015 ACS Data; Bank Data</i>					

Response to Complaints

The institution has not received any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

APPENDICES

SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

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

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

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

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.