

# **PUBLIC DISCLOSURE**

**March 23, 2020**

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Stifel Bank & Trust  
RSSD #3076248**

**501 North Broadway  
St. Louis, Missouri 63102**

**Federal Reserve Bank of St. Louis**

**P.O. Box 442  
St. Louis, Missouri 63166-0442**

**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, nor should it be construed as, an assessment of the financial condition of the 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

The following table shows the annual performance levels and overall CRA rating for Stifel Bank & Trust (SB&T) with respect to the performance goals outlined in the bank’s Strategic Plans.<sup>1</sup>

SB&T		
Performance Goals	Performance Levels Met by Year	
	Satisfactory	Outstanding
Community Development Lending and Investments		2017, 2018, 2019
Community Development Donations/Grants		2017, 2018, 2019
Community Development Service Hours		2017, 2018, 2019
Community Development Bond Offerings		2017, 2018, 2019
Mortgage Lending	2017	2018, 2019
<b>OVERALL RATING</b>	<b>OUTSTANDING</b>	

The factors supporting the institution’s rating are as follows:

- The bank conducted an outstanding level of community development lending and investments. The bank’s efforts helped revitalize and stabilize low- and moderate-income (LMI) geographies and provide affordable housing to LMI individuals.
- The bank made an outstanding level of donations and grants. The bank’s donations were made to organizations that provide affordable housing and/or community services to LMI individuals or specialize in revitalization efforts within the city of St. Louis.
- The bank provided an outstanding level of community development services, including financial counseling to individuals and organizations that promote economic development.
- Employees of the bank’s affiliate assisted in underwriting an outstanding level of community development bond offerings. The creation of bond offerings provided a variety of new investment opportunities for financial institutions and other financiers operating within the state of Missouri.
- The bank delivered a satisfactory level of mortgage lending in 2017 and outstanding levels in 2018 and 2019 to LMI borrowers and geographies.

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<sup>1</sup> The 2017 goals are outlined in the *2015–2017 Stifel Bank and Trust CRA Strategic Plan (2015–2017 Plan)*, while the 2018 and 2019 goals are outlined in the *2018-2020 Amended and Combined Community Reinvestment Act Strategic Plan (2018-2020 Amended Plan)* for SBT and its affiliate bank, Stifel Bank. See *Scope of Examination* section for details of the bank’s approved Strategic Plans used in this analysis.

There was no evidence of violations of the substantive provisions of anti-discrimination and fair lending laws and regulations or other credit practice rules, laws, or regulations identified during the consumer compliance examination conducted concurrently with this CRA performance evaluation.

## **INSTITUTION**

### **DESCRIPTION OF INSTITUTION**

SB&T is a state-chartered, wholly owned subsidiary of Stifel Bancorp and its top-tier holding company, Stifel Financial Corporation, both headquartered in St. Louis, Missouri. Through common ownership, the bank is affiliated with Stifel Nicolaus & Company, Inc. (SNC), a registered broker-dealer headquartered in St. Louis, Missouri, and Stifel Bank, Clayton, Missouri. The bank's main office is located in downtown St. Louis, and its only branch is in Creve Coeur, Missouri. Both offices are located in the Missouri portion of the St. Louis, Missouri-Illinois metropolitan statistical area (St. Louis MSA). Neither of the bank's locations house consumer-facing staff, and only one automated teller machine is maintained, which is located at the main office. SB&T did not open or close any branch offices during this review period. While the bank originates a large volume of mortgages, it does not originate any other consumer loans, apart from Stifel Pledged Asset accounts, which are large lines of credit secured by investment accounts. The bank's commercial and industrial loan category does not include direct loans to businesses, but rather participations in large commercial loans and purchased Small Business Administration loan guarantees. Likewise, the bank does not offer traditional deposit accounts. Its deposits are primarily funds from SNC investment accounts that are swept into Federal Deposit Insurance Corporation (FDIC)-insured accounts at the bank.

For this review period, no legal impediments or financial constraints were identified that would have hindered the bank from serving the credit needs of its assessment area. SB&T reported total assets of \$14.1 billion as of December 31, 2019, which represents an increase in assets of 1.6 percent since the previous evaluation. As of the same date, total loans and leases outstanding were \$9.0 billion (63.3 percent of total assets), and deposits totaled \$12.7 billion. The bank's loan portfolio composition by credit category is displayed in the following table.

<b>Distribution of Total Loans as of December 31, 2019</b>		
<b>Credit Category</b>	<b>Amount (\$000s)</b>	<b>Percentage of Total Loans</b>
Construction and Development	\$314,821	3.5%
Commercial Real Estate	\$256,205	2.9%
1–4 Family Residential	\$3,435,233	38.4%
Farm Loans	\$2,371	0.0%
Commercial and Industrial	\$3,524,911	39.4%
Loans to Individuals	\$1,003,837	11.2%
Total Other Loans	\$414,332	4.6%
<b>TOTAL</b>	<b>\$8,951,710</b>	<b>100%</b>

Due to its nontraditional nature, SB&T developed a Strategic Plan under the CRA. The overall objective of the plan is to use the unique characteristics and capabilities of the bank to meet the specific credit needs of its community. Through its mortgage lending division and affiliates, the bank has the capacity to provide credit through residential mortgage loans and community development loans, investments, and services. SNC’s public finance division provides a unique opportunity to support reinvestment in the bank’s assessment area, as it is a leading provider of municipal bond underwriting and distribution in the St. Louis area and across the state of Missouri. A high concentration of this activity is focused on specific community development projects and LMI lending programs. In many cases, this group acts as a critical component in providing local organizations the capital necessary for projects with a community development purpose. Furthermore, the bank’s board of directors, management, and affiliates are committed to developing opportunities for LMI communities through participation on nonprofit boards and volunteer and charitable giving activities.

The bank received an outstanding rating at its previous CRA evaluation conducted by this Reserve Bank on September 25, 2017. At that time, the bank was evaluated under the *Interagency Strategic Plan CRA Examination Procedures*.

## **SCOPE OF EXAMINATION**

For this examination, SB&T was evaluated under the *Interagency Strategic Plan CRA Examination Procedures*. The bank’s 2015–2017 Plan and 2018–2020 Amended Plan were approved by the Board of Governors of the Federal Reserve System on August 28, 2015, and September 19, 2019, respectively.

The bank's performance was evaluated using the following six performance goals:

- Community Development Lending and Investments
- Community Development Donations/Grants
- Community Development Service Hours
- Community Development Bond Offerings
- Mortgage Lending

The 2015–2017 Plan outlines and groups the performance goals under the Lending Test, Investment Test, and Service Test. This plan contains annual goals and includes ratings for each performance goal as well as the Lending, Investment, and Service Tests. Similarly, the 2018–2020 Plan outlines the same performance goals; however, it does not include a separate grouping and rating for the Lending, Investment, and Service Tests; rather, each test is rated individually. Additionally, the 2018–2020 Plan combines the Community Development Lending and Investments performance goals together for analysis and rating. See *Conclusions with Respect to Performance Goals* section for additional details and ratings applicable to each plan.

To augment this evaluation, three interviews were conducted with members of the community to ascertain specific credit needs, opportunities, and local market conditions in the bank's assessment area. Key details from these community contact interviews are included in the *Description of Assessment Area* section. Further, unless otherwise noted, assessment area demographics are based on 2015 American Community Survey data.

## **DESCRIPTION OF ASSESSMENT AREA**

SB&T has designated one CRA assessment area consisting of the city of St. Louis and St. Louis, Jefferson, and St. Charles Counties, all of which are in the Missouri portion of the St. Louis MSA. The assessment area contains 426 census tracts, which consist of 57 low-, 89 moderate-, 134 middle-, 142 upper-, and 4 unknown-income census tracts.

### **General Demographics**

The bank's assessment area has a total population of 1,915,559. The largest portion of the assessment area population lives in St. Louis County (1,001,327), followed by St. Charles County (374,805), the city of St. Louis (317,850), and Jefferson County (221,577).

Though the bank's physical presence is limited, it maintains a significant portion of the overall deposit market share in the assessment area. According to the FDIC Deposit Market Share Report data as of June 30, 2019, there are 73 FDIC-insured depository institutions in the assessment area that operate 564 offices. While SB&T operates only two of the offices in the assessment area, the bank is ranked first in terms of deposit market share, with 17.7 percent of the total deposits in the assessment area. However, this figure is misleading, as the bank's substantial deposit market share reflects deposits sourced from SNC investment clients across the country. As noted in the bank's

2018-2020 Amended Plan, historically less than 1 percent of the bank’s deposits are generated by SNC clients within its assessment area.

Specific credit needs in the assessment area, as noted primarily by community contacts, consist of mortgage lending for LMI residents and small business lending.

### Income and Wealth Demographics

The following table summarizes the distribution of assessment area census tracts by income level and the family population within those tracts.

Assessment Area Demographics by Geography Income Level				
	Census Tracts		Family Population	
<b>Low</b>	57	13.4%	37,150	7.6%
<b>Moderate</b>	89	20.9%	90,837	18.7%
<b>Middle</b>	134	31.5%	165,597	34.0%
<b>Upper</b>	142	33.3%	191,984	39.4%
<b>Unknown</b>	4	0.9%	1,439	0.3%
<b>TOTAL</b>	<b>426</b>	<b>100%</b>	<b>487,007</b>	<b>100%</b>

As shown in the preceding table, 34.3 percent of the census tracts in the assessment area are LMI geographies; however, only 26.3 percent of the family population resides in these tracts. These LMI areas are primarily concentrated in and around the city of St. Louis.

The median family income for the assessment area was \$72,950. At the same time, the median family income for the St. Louis MSA was \$70,718. However, median family incomes varied widely among assessment area counties, from \$46,334 in the city of St. Louis to \$85,806 in St. Charles County. More recently, the Federal Financial Institutions Examination Council estimated the 2017, 2018, and 2019 median family income for the St. Louis MSA to be \$74,300, \$76,600, and \$81,200, respectively. The following table displays population percentages of assessment area families by income level compared to all families in the St. Louis MSA.

Family Population by Income Level				
	Assessment Area		St. Louis MSA	
<b>Low</b>	101,648	20.9%	155,627	21.6%
<b>Moderate</b>	81,572	16.7%	125,318	17.4%
<b>Middle</b>	95,255	19.6%	144,204	20.1%
<b>Upper</b>	208,532	42.8%	294,177	40.9%
<b>TOTAL</b>	<b>487,007</b>	<b>100%</b>	<b>719,326</b>	<b>100%</b>

As shown in the preceding table, 37.6 percent of families within the assessment area were considered LMI, which is below the LMI family percentages of 39.0 percent in the St. Louis MSA as a whole. Similarly, the percentage of families living below the poverty level in the assessment



area (9.1 percent) falls slightly below the St. Louis MSA (9.6 percent). Considering these factors, the assessment area appears similar in affluence to the St. Louis MSA as a whole.

However, stark differences exist among assessment area counties that indicate that the city of St. Louis is far less affluent than the rest of the assessment area and the St. Louis MSA as a whole. For example, St. Charles County has an LMI family population of 27.1 percent and a poverty level of only 4.6 percent, while the city of St. Louis has a much higher LMI family population (58.2 percent) and poverty level (21.7 percent).

### Housing Demographics

Based on housing values, median gross rents, and the affordability ratios displayed in the table below, housing in the assessment area as a whole appears to be less affordable than in the St. Louis MSA.

Housing Demographics			
Area	Median Housing Value	Affordability Ratio	Median Gross Rent (monthly)
City of St. Louis	120,400	29.6%	\$748
St. Louis County	173,400	34.5%	\$882
St. Charles County	188,200	38.5%	\$931
Jefferson County	149,900	36.9%	\$783
<b>Assessment Area</b>	<b>167,575</b>	<b>33.7%</b>	<b>\$837</b>
St. Louis MSA	157,100	35.1%	\$815

As the previous table shows, housing values, affordability ratios, and median gross rents vary in the assessment area. As shown, the city of St. Louis has lower housing values and rents but is also the least affordable of all assessment area counties. Based on this information, homeownership is likely out of reach for many LMI individuals and families in the assessment area, especially in the city of St. Louis.

This was further confirmed through housing specialists interviewed during the examination. These contacts stated that affordable rental housing remains an assessment area need, especially affordable rental programs that also provide training in asset building through budgeting and money management skills. Furthermore, down payment assistance programs continue to be in high demand to help eligible individuals transition to homeownership.

### Industry and Employment Demographics

The assessment area supports a large and diverse business community, including a strong small business sector. U.S. Census Bureau County Business Patterns figures indicate that, as of 2017, there are 998,206 paid employees in the assessment area. By percentage of employees, the three

largest job categories in the assessment area are healthcare and social assistance (15.0 percent), followed by retail trade (10.4 percent) and accommodation and food services (10.3 percent).

The table below details unemployment data from the U.S. Department of Labor, Bureau of Labor Statistics (not seasonally adjusted) for the assessment area compared to the St. Louis MSA as a whole.

Unemployment Levels for the Assessment Area			
Area	2017 Annual Average	2018 Annual Average	2019 Annual Average
City of St. Louis	4.5%	3.8%	3.8%
St. Louis County	3.4%	3.0%	3.0%
St. Charles County	2.9%	2.5%	2.5%
Jefferson County	3.6%	3.1%	3.1%
<b>Assessment Area</b>	<b>3.5%</b>	<b>3.0%</b>	<b>3.1%</b>
St. Louis MSA	3.8%	3.4%	3.3%

As shown in the preceding table, unemployment levels varied between the assessment area and the St. Louis MSA, with all areas and the St. Louis MSA as a whole experiencing a decreasing trend in unemployment throughout the review period. As shown, during the review period, the city of St. Louis consistently maintained the highest unemployment rates, while St. Charles County maintained the lowest unemployment rates.

While declining unemployment levels are often synonymous with broad economic improvement, several community contacts noted barriers to employment for LMI residents who lack skills related to new technology necessary for new jobs. Accordingly, the contacts indicated that greater access is needed to workforce development programs to assist LMI individuals in placement or advancement to higher-wage jobs in the area.

### Community Contact Information

For the assessment area, three community contacts were conducted to help shape the performance context in which the bank’s activities in this assessment area were evaluated. The interviews included individuals specializing in community reinvestment, revitalization and stabilization, and small business development and affordable housing.

Two of the interviewees described the economy as generally growing, with the city of St. Louis continuing to lag behind in terms of job skills and employment. Multiple barriers to homeownership were identified, with needs to address these barriers being credit counseling, financial literacy services, affordable mortgages, and home improvement and small-dollar mortgage loans. Additional financial and non-financial needs include home improvement and small dollar mortgage loans, down payment assistance, and affordable day care and job support.

Another contact discussed the small business sector within the assessment area. The contact noted that the cost of doing business in St. Louis is less than other cities, which has made business ventures in the city more attractive. Additionally, the contact stated that the area has a variety of community organizations that help support inclusive entrepreneurial and lending experiences for LMI entrepreneurs. However, the contact stated that barriers exist for LMI entrepreneurs—specifically, access to safe and affordable capital, poor credit scores, and a lack of tangible collateral.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE GOALS

As previously noted, SB&T established Strategic Plans by which its CRA performance is to be evaluated. The bank established measurable, quantitative goals that are evaluated against annualized goals for years 2017, 2018, and 2019 to achieve either a satisfactory or an outstanding rating. As a part of the strategic plan approval process, the goals were determined to be reasonable relative to the bank’s capacity and the needs of the assessment area, compared to banks with similar CRA strategic plans.

SB&T’s overall CRA rating reflects outstanding performance in helping to meet the credit needs of its delineated assessment area in a manner consistent with the goals established by its Strategic Plans. For 2017, the bank exceeded each of its outstanding goals, with the exception of mortgage lending, which was satisfactory. This resulted in an overall rating of outstanding for 2017. Similarly, the bank exceeded each of its outstanding goals for 2018 and 2019. This resulted in overall ratings of outstanding for both years. Details of the bank’s goals and performance are provided in the following sections.

### Community Development Lending and Investments

Community Development Lending and Investments Inside Assessment Area			
Plan Year	Bank-Established Goals		SB&T Actual Performance
	Satisfactory Lending and Investments	Outstanding Lending and Investments	Qualified Lending and Investments
2017	Lending: \$21.7 million	Lending: \$27.1 million	Lending: \$30.2 million
	Investments: \$44.4 million	Investments: \$55.5 million	Investments: \$71.1 million
2018	Combined: \$50.0 million	Combined: \$62.5 million	Combined: \$109.7 million
2019	Combined: \$52.5 million	Combined: \$65.6 million	Combined: \$86.4 million

As shown in the table above, the bank’s total dollar of community development lending and investments represents outstanding performance for 2017, 2018, and 2019. As outlined in the bank’s Strategic Plans and shown above, the two performance goals were measured separately in 2017 but were combined for analysis in 2018 and 2019.

The majority of loans were made to nonprofit entities that help revitalize and stabilize LMI geographies in the city of St. Louis and/or provide affordable housing to LMI individuals through equity investments or Low Income Housing Tax Credits (LIHTCs). Similarly, nearly all of the bank’s community development investments were targeted to investments in affordable housing for LMI individuals, primarily through investments in mortgage-backed securities.

A few notable community development loans and investments made throughout the entire review period are detailed below:

- Two loans totaling \$3 million were made to a nonprofit housing and reinvestment organization that primarily works with LMI individuals and small businesses in building financial assets. The organization focuses on promoting housing, savings, and economic development to LMI individuals and families as well as micro lending to small businesses.
- Two loans totaling \$16.6 million were originated to a nonprofit organization that initiates and manages pooled equity investments in neighborhood revitalization and/or low-income housing projects in the St. Louis area. In addition to the aforementioned loans, SB&T also makes annual investments in this organization, including \$2 million during this review period. As of December 31, 2019, the bank’s total investment to this nonprofit is valued at \$11 million.
- Five loans totaling \$33.7 million were originated or renewed to a nonprofit organization for property acquisition. These loans were used to support redevelopment projects approved by the city of St. Louis. The loans supported permanent job creation while helping to revitalize and stabilize LMI areas.

In addition to meeting the needs of its own assessment area through this performance goal, SB&T also originated a loan to a for-profit entity that acquires, owns, and holds interests in entities that qualify for LIHTCs in Missouri and Georgia. In addition to the dollars in the table above, \$13.4 million qualified for community development credit outside the bank’s assessment area.

### Community Development Donations/Grants

Community Development Donations/Grants Inside Assessment Area			
Plan Year	Bank-Established Goals		SB&T Actual Performance
	Satisfactory Donations/Grants	Outstanding Donations/Grants	Qualified Donations/Grants
2017	\$606,055	\$757,569	\$810,848
2018	\$500,000	\$625,000	\$819,224
2019	\$550,000	\$687,500	\$983,860

As shown in the table above, the bank’s total dollar of community development donations represents outstanding performance for 2017, 2018, and 2019. SB&T directed much of its donation funding to specifically target affordable housing, community service, and economic development needs of LMI individuals.

The examples below highlight notable donations/grants made by the bank throughout the entire review period:

- Five donations totaling \$35,000 were made to a local business and education center that provides workforce training to unemployed individuals in the St. Louis MSA.
- Ten donations totaling \$56,600 were made to six different nonprofits with stated missions of addressing affordable housing needs in the St. Louis MSA.
- Eight donations totaling \$267,020 were made toward revitalization efforts throughout the St. Louis MSA. This included donations for disaster relief and two restoration projects as part of state and/or regional revitalization plans.
- Twenty donations totaling \$325,203 were made to nonprofits and universities in the St. Louis MSA for financial and tuition assistance to LMI individuals attending classes.
- Five donations totaling \$349,840 were made to a nonprofit organization that provides support services to formerly incarcerated individuals, including workforce development and job placement and training. The majority of participants in the organization’s programs are LMI.

In addition to donation volumes in the previous table for this performance goal, SB&T also donated \$105,000 to help federally designated disaster areas affected by Hurricanes Harvey, Irma, and Maria in 2017. The donations provided relief supplies to residents throughout Texas, Florida, Puerto Rico, and the U.S. Virgin Islands.

### Community Development Service Hours

Community Development Service Hours Inside Assessment Area			
Plan Year	Bank-Established Goals		SB&T Actual Performance
	Satisfactory Service Hours	Outstanding Service Hours	Qualified Service Hours
2017	338 service hours	423 service hours	428 service hours
2018	340 service hours	425 service hours	454 service hours
2019	342 service hours	428 service hours	468 service hours

As shown in the table above, the bank’s total community development service hours represent outstanding performance for 2017, 2018, and 2019. The bank’s employees provided qualified services to a variety of organizations, placing particular emphasis on affordable housing and financial literacy education opportunities that support LMI individuals.

Additionally, SB&T has a one-on-one financial counseling program designed to identify and help LMI individuals build and improve credit, understand personal finances, recognize homeownership program options, and obtain down payment assistance. The goal, which is generally achieved over the course of months or years, is for LMI individuals to improve their long-term financial situation and achieve homeownership.

Impactful community development services throughout the entire review period are noted below:

- Bank employees provided 26 hours of service as board members for a nonprofit that initiates and manages pooled equity investments in neighborhood revitalization and/or low-income housing projects in the St. Louis area.
- A staff member spent 72 hours serving LMI individuals through the bank's one-on-one financial counseling program. The bank employee provided financial literacy and counseled individuals on first-time homeownership.
- Bank staff provided approximately 160 hours serving on the board of a nonprofit entity aimed at growing the number, size, and stability of minority- and women-owned businesses in the construction industry, thus providing them the ability to bid on larger contracts. These efforts create economic development opportunities for smaller businesses and additional jobs in the St. Louis MSA.
- Bank staff spent over 600 hours providing financial education to LMI students in the assessment area.

**Community Development Bond Offerings**

<b>Community Development Bond Offerings in the State of Missouri</b>			
<b>Plan Year</b>	<b>Bank-Established Goals</b>		<b>SB&amp;T Actual Performance</b>
	<b>Satisfactory Bond Offerings</b>	<b>Outstanding Bond Offerings</b>	<b>Qualified Bond Offerings</b>
2015–2017	\$300 million in the state of Missouri, with \$150 million of that being CRA-eligible and \$75 million of CRA-eligible bonds being in the assessment area	\$375 million in the state of Missouri, with \$187.5 million of that being CRA-eligible and \$93.8 million of CRA-eligible bonds being in the assessment area	State of Missouri: <b><i>\$3.9 billion</i></b>
			State of Missouri total that is also CRA-eligible: <b><i>\$1.2 billion</i></b>
			CRA-eligible total that is inside the assessment area: <b><i>\$1.1 billion</i></b>
2018	\$150 million in the state of Missouri, with \$80 million of that being CRA-eligible and \$40 million of CRA-eligible bonds being in the assessment area	\$187.5 million in the state of Missouri, with \$100 million of that being CRA-eligible, and \$50 million of CRA-eligible bonds being in the assessment area	State of Missouri: <b><i>\$984.9 million</i></b>
			State of Missouri total that is also CRA-eligible: <b><i>\$280.0 million</i></b>
			CRA-eligible total that is inside the assessment area: <b><i>\$146.7 million</i></b>
2019	Same as 2018 Bond Offerings Goal	Same as 2018 Bond Offerings Goal	State of Missouri: <b><i>\$1.4 billion</i></b>
			State of Missouri total that is also CRA-eligible: <b><i>\$358.3 million</i></b>
			CRA-eligible total that is inside the assessment area: <b><i>\$265.0 million</i></b>

As shown in the table above, employees of affiliate SNC underwrote a total dollar amount of community development bond offerings that represents outstanding performance for 2017, 2018, and 2019. As previously mentioned, SNC is a leading firm in the municipal bond underwriting market, both nationally and in the state of Missouri. In 2019, Securities Data Company ranked SNC first in the number of bonds issued nationally and seventh by the dollar amount issued. In Missouri, SNC ranked second in both the number and dollar amount of municipal bonds issued. Municipal bonds remain a common investment option used by financial institutions and investors. As such, the creation or underwriting of municipal bonds by firms like SNC is a critical tool that provides opportunities for investors to fund projects needed by cities, states, and various government entities. Further, the issuance of bonds that are also eligible for community development credit under the CRA creates additional incentives for financial institutions to invest.



**Community Development Mortgage Lending**

<b>Community Development Mortgage Lending to LMI Borrowers and/or Geographies</b>			
<b>Plan Year</b>	<b>Bank-Established Goals</b>		<b>SB&amp;T Actual Performance</b>
	<b>Satisfactory Mortgage Lending</b>	<b>Outstanding Mortgage Lending</b>	<b>Qualified Mortgage Lending</b>
2017	662 mortgage credits	828 mortgage credits	766 mortgage credits
2018	550 mortgage credits	688 mortgage credits	795 mortgage credits
2019	550 mortgage credits	688 mortgage credits	811 mortgage credits

As shown in the table above, the bank’s lending to LMI borrowers and/or LMI geographies represents satisfactory performance in 2017 and outstanding performance for 2018 and 2019. This performance goal includes an analysis of mortgage credits, defined as a loan to an LMI borrower and/or in an LMI geography. Under this performance goal, a loan made to an LMI borrower counts as one credit, a loan made in an LMI geography counts as one credit, and a loan made to an LMI borrower in an LMI geography gets two credits.

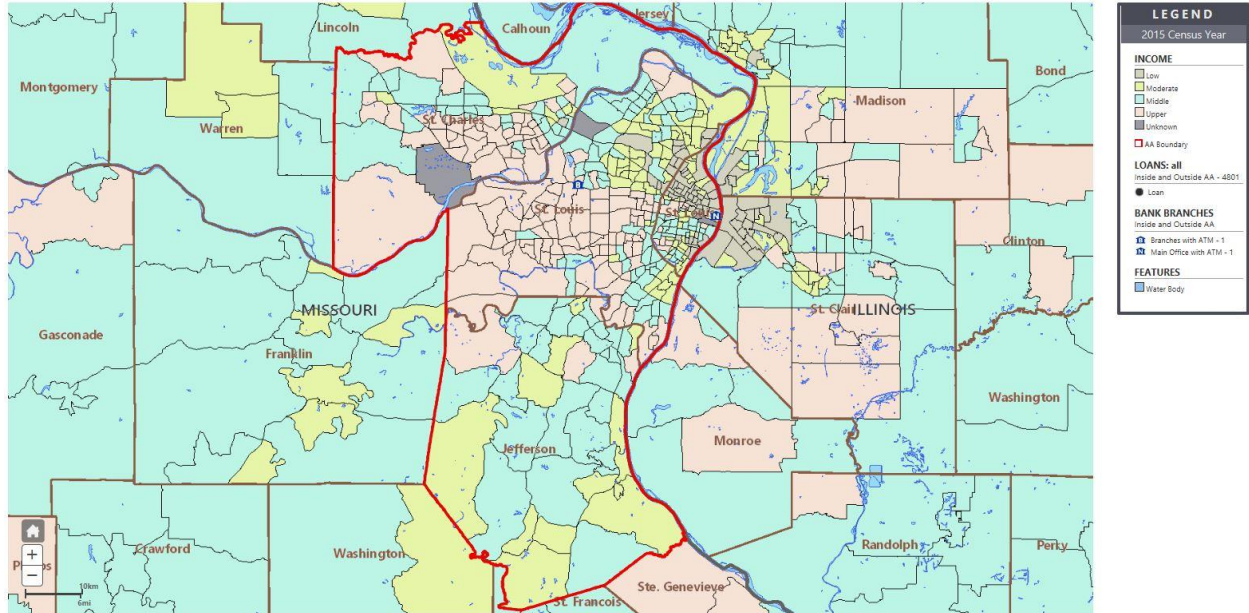
It is also noted that of the 2,372 mortgage credits noted in the previous table, 70.6 percent of them (or 1,674 mortgage credits) were for home purchase. Further, the bank’s total volume of loans reported under the Home Mortgage Disclosure Act were relatively stable during the review period. In contrast, the table above shows the volume of mortgage credits (i.e., loans to LMI borrowers and/or LMI geographies) had an increasing trend throughout the review period. These two factors are indications that the bank’s mortgage lending not only met its Strategic Plan goals but also addressed home purchase needs of the assessment area and at an increasing rate for LMI borrowers and LMI geographies.

**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Based on findings from the Consumer Affairs examination, including a fair lending analysis performed under the Fair Housing Act requirements, conducted concurrently with this CRA evaluation, no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

### ASSESSMENT AREA DETAIL

Stifel Bank & Trust - St. Louis, MO  
Tract Income Map - 2018



## 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.

**Assessment area:** One or more of the geographic areas delineated by the bank and used by the regulatory agency to assess an institution's record of CRA performance.

**Census tract:** A small subdivision of metropolitan and nonmetropolitan counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending on population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community contact:** Interviews conducted as part of the CRA examination to gather information that might assist examiners in understanding the bank's community, available opportunities for helping to meet local credit and community development needs, and perceptions on the performance of financial institutions in helping meet local credit needs. Communications and information gathered can help to provide a context to assist in the evaluation of an institution's CRA performance.

**Community development:** An activity associated with one of the following five descriptions: (1) affordable housing (including multifamily rental housing) for LMI individuals; (2) community services targeted to LMI individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; (4) activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or (5) Neighborhood Stabilization Program (NSP) eligible activities in areas with HUD-approved NSP plans, which are conducted within two years after the date when NSP program funds are required to be spent and benefit low-, moderate-, and middle-income individuals and geographies.

**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.

**Demographics:** The statistical characteristics of human populations (e.g., age, race, sex, and income) used especially to identify markets.

## Appendix B (continued)

**Distressed nonmetropolitan middle-income geography:** A middle-income, nonmetropolitan geography will be designated as distressed if it is in a county that meets one or more of the following triggers: (1) an unemployment rate of at least 1.5 times the national average, (2) a poverty rate of 20 percent or more, or (3) a population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

**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 nonrelatives 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 who 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 income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

**Household:** One or more persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

**Housing affordability ratio:** Calculated by dividing the median household income by the median housing value. It represents the amount of single family, owner-occupied housing that a dollar of income can purchase for the median household in the census tract. Values closer to 100 percent indicate greater affordability.

**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).

## Appendix B (continued)

**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 family income:** The dollar amount that divides the family income distribution into two equal groups, half having incomes above the median, half having incomes below the median. The median family income is based on all families within the area being analyzed.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. An MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. An MD is a division of an MSA based on specific criteria including commuting patterns. Only an MSA that has a population of at least 2.5 million may be divided into MDs.

**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.

**Nonmetropolitan statistical area (nonMSA):** Not part of a metropolitan area. (See metropolitan area.)

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Performance context:** The performance context is a broad range of economic, demographic, and institution- and community-specific information that an examiner reviews to understand the context in which an institution's record of performance should be evaluated. The performance context is not a formal or written assessment of community credit needs.

## Appendix B (continued)

**Performance criteria:** These are the different criteria against which a bank's performance in helping to meet the credit needs of its assessment area(s) is measured. The criteria relate to lending, investment, retail service, and community development activities performed by a bank. The performance criteria have both quantitative and qualitative aspects. There are different sets of criteria for large banks, intermediate small banks, small banks, wholesale/limited purpose banks, and strategic plan banks.

**Performance evaluation (PE):** A written evaluation of a financial institution's record of meeting the credit needs of its community, as prepared by the federal financial supervision agency responsible for supervising the institution.

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

**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.

**Small businesses/small farms:** A small business/farm is considered to be one in which gross annual revenues for the preceding calendar year were \$1 million or less.

**Small loan(s) to business(es):** That is, "small business loans" are included in "loans to small businesses" as defined in the Consolidated Reports of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are secured by either nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** That is, "small farm loans" are included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Reports 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.

**Underserved middle-income geography:** A middle-income, nonmetropolitan geography will be designated as underserved if it meets criteria for population size, density, and dispersion that indicate the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

**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.