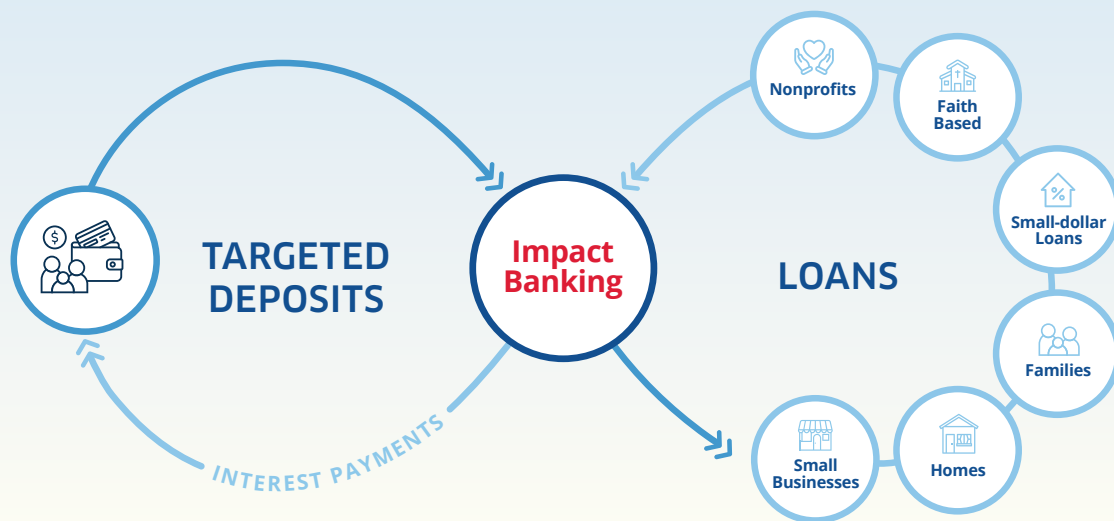


IMPACT BANKING

TRANSFORMING COMMUNITIES

IMPACT BANKING creates a virtuous cycle that has the power to transform our region. It begins when anchor institutions, investors, and individuals deposit capital in locally owned, locally focused banks that are committed to Shared Prosperity. The banks in turn invest more in underserved areas to create opportunities for families to buy homes, start or scale businesses, and invest in education.

IMPACT BANKING CREATES A VIRTUOUS CYCLE



EVERY DOLLAR
CIRCULATES

6x

IN ST. LOUIS'
ECONOMY

Impact Banking is about better leveraging the cash on your balance sheet to create more vibrant communities by ensuring more people gain access to reasonably priced capital.

Impact Banking creates a functioning non-predatory marketplace for low-to-moderate income communities and individuals. It sustainably redirects a portion of our region's capital to address persistent challenges by placing capital in high-impact investments.



WANT TO LEARN MORE? Read the thought leadership piece, "Impact Banking: Transforming Communities" at ImpactBankingSTL.com

THE FIVE PILLARS OF IMPACT BANKING

1.

INTENTIONALITY

Investment with the intention to have a positive social and financial impact through access to banking services and the extension of capital.

2.

INVESTMENT WITH RETURN EXPECTATIONS

Expectations of preservation of capital or modest financial return on deposits,* coupled with social returns. To the extent that one chooses to leverage the bank's lending platform by purchasing a stake in loans, they will not only receive a risk adjusted return, but further enable the bank to moderate risk and responsibly lend more.

3.

EXPECTATIONS OF COMMUNITY BANKS

Community banks who subscribe to the Impact Banking philosophy are required to invest in human resources that connect the banks to the community by developing an innovative portfolio of mortgages, small-dollar products, and competitive solutions for individuals and businesses.

4.

IMPACT MEASUREMENT

The community bank commits to report transparently the level of deposits received, and capital investment to support low-to-moderate income markets, the challenges with investing more credit, and ways for a community of volunteers to rally in support of building capacity.

5.

EXPECTATIONS OF COMMUNITY

The community commits to increased awareness of non-predatory mainstream lending, support services, loan payoff accountability, and the level of "patient charitable capital" that can serve in the first loss position for economic development projects, home mortgages and consumer and small business loans for low-to-moderate-income people and projects.

* If your investment deposit is below the current market price, the Bank will provision more to account for potential higher rates of losses, and provide preservation of deposit with a modest return to depositor and the Bank.

IMPACT BANKING requires community banks to be hyper-focused on making meaningful, long-term investments in communities that will lift more people up. It requires rethinking ROI in terms of both financial and social returns to be transformative. It requires partnerships with anchor institutions, investors, and individuals to unleash the power of capitalism and scalable capital to the benefit of all.

THE IMPACT OF YOUR DEPOSITS IN UNDERSERVED AREAS†

What impact can your deposits have at a bank committed to loans in traditionally underserved areas?

DEPOSIT LEVEL	\$100,000	\$1 MILLION	\$10 MILLION
INCREMENTAL SALES	\$52,000	\$521,000	\$5,211,000
INCREMENTAL INCOME	\$28,500	\$285,000	\$5,858,000
INCREMENTAL JOBS	1	6	57

 Washington University in St. Louis
OLIN BUSINESS SCHOOL

†Data based on models provided by the Washington University in St. Louis study performed in Spring 2020 to quantify the impact of access to mainstream financial services in traditionally underserved areas.

ABOUT MIDWEST BANKCENTRE Since 1906, Midwest BankCentre has been St. Louis' premier community bank. We invest capital profitably in our whole community, and we reinvest our local deposits locally. At Midwest BankCentre, **\$95 out of every \$100 deposited** stays in the St. Louis region to build St. Louis area business and families, and every dollar circulates six times throughout the regional economy, on average. As we help local families and businesses prosper, they lift their friends, neighbors, and customers so that everyone can **RISE TOGETHER**. *Midwest BankCentre is moving the needle on the region's financial vitality, one customer and one transaction at a time.*



MidwestBankCentre.com (314) 631-5500