PUBLIC DISCLOSURE

August 8, 2011

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Truman Bank
RSSD #1213777

8151 Clayton Road
St. Louis, Missouri 63117

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'S CRA RATING: This institution is rated SATISFACTORY
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

Truman Bank meets the criteria for a satisfactory rating based upon the performance evaluation of the bank's lending activity. The geographic distribution of loans analysis reflects excellent dispersion throughout the bank's assessment area. Secondly, borrower's profile analysis reveals reasonable penetration among individuals of different income levels, including low- and moderate-income (LMI) levels and businesses of different sizes. The bank's loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment area credit needs, and a substantial majority of the bank's loans and other lending-related activities are in the bank's assessment area. Lastly, no CRA-related complaints were filed against the bank for this review period.

Further, the institution's community development performance demonstrates adequate responsiveness to the community development needs of its assessment area, considering the institution's capacity, the need for community development activities, and the availability of such opportunities within the institution's assessment area. The bank has addressed these needs through various activities, including community development loans, qualified investments, and community development services.

SCOPE OF EXAMINATION[1]

The bank's performance under the CRA was evaluated using the standards established for intermediate small banks (ISBs). The ISB procedures evaluate a bank's lending and community development activities separately. The period of review was from the date of the bank's previous CRA evaluation on August 3, 2009 to August 8, 2011. Lending performance was based on residential real estate loans[2] originated in 2010 and small business loans[3] sampled from the six-month period between October 15, 2010 and April 15, 2011. These two loan categories are considered the bank's primary lines of business, based upon lending volume by number and dollar amount and in light of the bank's stated business strategy. Therefore, loan activity represented by these credit products is deemed indicative of the bank's overall lending performance. Residential real estate lending and small business lending were given equal significance towards the bank's overall performance conclusions.

Under the community development test, qualified loans, investments, and services were evaluated for the period August 3, 2009 to August 8, 2011.

[1] Information presented in this section (e.g., review period dates and loan sample details) pertains throughout the rest of this evaluation unless specifically noted otherwise.
[2] The residential real estate loan category includes 2010 Home Mortgage Disclosure Act (HMDA) reported loans for the purpose of home purchase, refinance, or home improvement.
[3] See the Glossary in Appendix A for additional details regarding the small business loan category.

As part of this review, the bank's performance was evaluated in relation to those of comparable financial institutions operating within the same general region. Three other banks were identified as similarly situated peers, with asset sizes ranging from $365.0 million to $507.7 million.

To augment this evaluation, two interviews with members of the local community (community contact interviews) were utilized in order to ascertain specific credit needs, opportunities, and local market conditions within the bank's assessment area.[4]

DESCRIPTION OF INSTITUTION

Truman Bank is a full-service retail bank offering consumer and commercial loan and deposit products. The bank is wholly owned by FFC Financial Corporation, a one-bank holding company. As of June 30, 2011, the bank reported total assets of $344.0 million. As of the same date, total loans and leases outstanding were $260.5 million (75.7 percent of total assets), and deposit liabilities totaled $278.3 million (80.9 percent of total assets).

The bank's branch network consists of four locations, including its main office. There are three banking facilities located in St. Louis County and one located in St. Charles County. All banking facilities have full-service automated teller machines (ATMs). Since the previous CRA evaluation, two branch locations in Jefferson County were sold, both in middle-income census tracts.

During this review period, no legal impediments or financial constraints were identified that would hinder the bank from serving the credits needs within its delineated assessment area, and it appears that the bank has the ability to meet the credit needs of its assessment area based on available assets, financial condition, and other resources.

[4] Key details from these community contact interviews are included in the *Description of Assessment Area* section.

The bank's loan portfolio composition by credit category is displayed in the following table.[5]

Distribution of Gross Loans as of June 30, 2011		
Credit Product Type	**Amount in $000s**	**Percentage of Total Loans**
Construction and Development	$50,386	19.34%
Commercial Real Estate	$85,298	32.73%
Multifamily Residential	$22,746	8.73%
1-4 Family Residential	$72,266	27.73%
Secured by First Liens	$54,502	20.92%
Secured by Junior Liens	$6,768	2.60%
Revolving	$10,996	4.22%
Farmland	$0	0.00%
Farm Loans	$0	0.00%
Commercial and Industrial	$25,487	9.78%
Loans to Individuals	$4,383	1.68%
Credit Cards	$0	0.0%
Other Loans to Individuals	$4,383	1.68%
Loans to States &Political Subs in US	$0	0.00%
Total Other Loans	$0	0.00%
GROSS LOANS	**$260,566**	**100%**

As indicated by the table above, a significant portion of the bank's lending resources are directed to commercial real estate loans (32.73 percent), loans secured by 1-4 family residential properties (27.73 percent), and construction and development loans (19.34 percent).

The bank received a satisfactory rating at its previous CRA evaluation conducted by this Reserve Bank on August 3, 2009. The previous examination was also conducted using the interagency CRA procedures for ISBs.

[5] For purposes of this table, total loan information is derived from gross loans and leases data reported on the Consolidated Reports of Condition and Income as of June 30, 2011.

DESCRIPTION OF ASSESSMENT AREA[6]

General Demographics

Truman Bank has delineated one assessment area comprised of St. Louis City, St. Louis County, and St. Charles County, all in the St. Louis Missouri-Illinois Metropolitan Statistical Area #41180 (St. Louis MSA). Based upon 2009 census data,[7] the assessment area population is 1,704,362, compared to the entire St. Louis MSA population of 2,828,990. St. Louis County has the largest population totals in the assessment area (992,408), followed by St. Louis City (356,587) and St. Charles County (355,367). Of the 68 Federal Deposit Insurance Corporation (FDIC)-insured depository institutions with a branch presence in this assessment area, the bank ranked 27th in terms of deposit market share, encompassing 0.68 percent of the total assessment's area deposit dollars.[8]

The bank's assessment area consists of 343 census tracts within the St. Louis MSA. This area is both urban and suburban with a blend of credit needs including residential real estate, small business, and consumer loans. Other particular credit and banking needs in the assessment area (as noted primarily from community contacts) include increased use of innovative/flexible lending opportunities for small businesses and individuals and financial literacy education programs.

Income and Wealth Demographics

As previously noted, the bank's assessment area consists of the 343 census tracts within the St. Louis MSA, comprised of St. Louis and St. Charles Counties in their entireties and St. Louis City. The following table reflects the number and population of the census tracts within the assessment area in each income category.[9]

Assessment Area Demographics by Geography Income Level

2000 Census Data	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Census Tracts	42 12.2%	80 23.3%	117 34.1%	100 29.2%	4 1.2%	**343** **100%**
Family Population	25,106 5.9%	82,188 19.2%	161,645 37.8%	158,817 37.1%	0 0.0%	**427,756** **100%**

6 Statistical/demographic information cited in this evaluation, unless otherwise stated, is taken from 2000 United States Census Bureau data.
7 Source: US Census Bureau 2009 American Community Survey
8 Source: Federal Deposit Insurance Corporation Deposit Market Share Report information as of June 30, 2010
9 See the glossary in Appendix A for the definitions of the low-, moderate-, middle-, and upper-income categories.

The previous table reveals that the bank's assessment area contains 42 (12.2 percent) low-income census tracts, 80 (23.3 percent) moderate-income census tracts, 117 (34.1 percent) middle-income census tracts, 100 (29.2 percent) upper-income census tracts, and four (1.2 percent) unknown-income census tracts. Of the low-income census tracts, 39 (92.9 percent) are located in St. Louis City and three (7.1 percent) are located in St. Louis County. Of the moderate-income census tracts, 49 (61.3 percent) are located in St. Louis City, 29 (36.3 percent) are located in St. Louis County, and two (2.5 percent) are located in St. Charles County. By family population within census tracts, St. Louis County has the most families with 272,519, followed by St. Louis City (77,784 families) and St. Charles County (77,453 families). St. Louis City has the most families living in low- or moderate-income census tracts (59,253), followed by St. Louis County (45,695) and St. Charles County (2,346). By far, St. Louis City is the least affluent part of the assessment area with St. Charles County being the most affluent. Despite these facts, middle-income and upper-income census tracts have the greatest family population, 320,462 (74.9 percent).

Based upon 2000 census data, the median family income for the assessment area was $56,927. At the same time, the St. Louis MSA median family income was $53,435. By individual county, the median family income was $64,415 (St. Charles County), $61,680 (St. Louis County), and $32,585 (St. Louis City). For 2010 and 2011, the Department of Housing and Urban Development (HUD) estimates the St. Louis MSA median family income to be $68,300 and $69,500, respectively. The following table displays population percentages of assessment area families by income level, compared to the MSA family population as a whole.

Assessment Area Family Population by Income Level

2000 Census Data	Low-	Moderate-	Middle-	Upper-	Unknown	TOTAL
Assessment Area	78,554 18.4%	72,300 16.9%	90,439 21.1%	186,463 43.6%	0 0.0%	**427,756** **100%**
St. Louis MSA	137,988 19.4%	131,220 18.4%	161,155 22.6%	282,274 39.6%	0 0.0%	**712,637** **100%**

This table shows that the assessment area is slightly more affluent than the entire St. Louis MSA. The percentage of LMI families in the assessment area (35.3 percent) is slightly lower than the percentage of LMI families in the St. Louis MSA (37.8 percent). As a result, the assessment area has a slightly higher percentage of middle- and upper-income families (64.7 percent) compared to the St. Louis MSA (62.2 percent).

Within the bank's assessment area, the percentage of families below the poverty level is 7.49 percent, which is almost identical to the percentage of families below poverty level for the St. Louis MSA (7.50 percent). However, within the assessment area, the poverty levels vary by county. For St. Charles County, families below the poverty level are 2.81 percent, for St. Louis County it is 5.02 percent, and for St. Louis City it is 20.79 percent.

Housing Demographics

Based upon housing values, income levels, and renting costs, housing in the assessment area appears to be less affordable than comparison data. The median housing value for the assessment area was $106,403, which is greater than the housing value for the St. Louis MSA, $94,895. The median housing value varied greatly by county. The highest was St. Charles County ($122,600), followed by St. Louis County ($114,800) and St. Louis City ($63,500). Housing also appears to be less affordable considering income levels. The assessment area affordability ratio[10] of 41 percent is less than the MSA figure of 46 percent. Lastly, the median gross rent for the assessment area of $540 per month is slightly less affordable compared to $522 per month for the MSA. Median gross rent ranged from a high in St. Charles County of $624 per month to a low of $442 per month for St. Louis City. Although the assessment area appears more affluent in some income demographics, its housing affordability is below MSA comparisons. Affordability of housing in the assessment area was an issue raised by both community contacts.

Industry and Employment Demographics

The assessment area consists of a wide range of industries, including large (by number of employees) employers,[11] BJC Healthcare, Boeing Defense-Space & Security, Washington University, and SSM Healthcare. By average quarterly employment,[12] the leading employment sectors in the assessment area were health care and social assistance (126,222), retail trade (96,708), accommodation and food service (83,310), administrative and support and waste management and remediation services (67,850), and manufacturing (63,516). Employment sectors with the most percentage growth include administrative and support and waste management and remediation, management of companies, and finance and insurance. The sectors that have the most percentage of job losses include educational services, construction, and manufacturing. Further, 2010 business geo-demographic estimates indicate there are 72,194 businesses in the assessment area (86.0 percent with gross annual revenues of $1 million or less).

Recent unemployment rates have varied throughout the bank's assessment area. The 2010 annualized unemployment rate was the lowest in St. Charles County (8.7 percent), slightly higher in St. Louis County (9.4 percent), and the highest in the city of St. Louis (12.3 percent).[13] For this same time period, the entire St. Louis MSA had an unemployment rate of 10.1 percent. Unemployment rates have decreased in 2011, and preliminary reports from April 2011 show unemployment rates for St. Charles County at 7.4 percent, St. Louis County (8.2 percent), and the city of St. Louis (10.7 percent). The unemployment rate for the entire St. Louis MSA was 8.5 percent for this period.

[10] This figure is 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 geography. Values closer to 100 percent indicate greater affordability.
[11] Source: St. Louis Business Journal January 21, 2011 issue; data as of June 30, 2010.
[12] Source: U.S. Census Bureau, Local Employment Dynamics
[13] Unemployment rates are not-seasonally adjusted and are published by the Bureau of Labor Statistics.

Community Contact Information

As a part of this CRA evaluation, two community contact interviews were utilized in order to obtain additional assessment area background, including information relating to credit needs, community development opportunities, and the local economy. Both of these interviews were with individuals specializing in affordable housing, one public sector and one private sector.

The community contact interviewees categorized the economy as weak with minimal growth. High unemployment, tighter underwriting standards, and shortage of public funds have contributed to the difficulty in obtaining a home loan for low-moderate income individuals. Both contacts stated that there was a need for more affordable housing and a greater need for financial literacy programs for LMI individuals. This should include first time homebuyer programs and programs to repair or re-establish credit. Both also remarked on the need for down payment assistance and innovative lending products to help LMI individuals. One contact noted that there were homes that were affordable; however, many individuals do not qualify for loans based on their credit and/or income. The information contained in these community contacts helped form the performance context in which to evaluate the bank's activities for this assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The performance standards under the Lending Test evaluate the following five criteria as applicable.

- The bank's geographic distribution of loans
- Loan penetration by borrower's profile (applicant income or business revenue)
- The bank's quarterly average loan-to-deposit (LTD) ratio
- The concentration of lending within the assessment area
- A review of the bank's response to written CRA complaints

Geographic Distribution of Loans

As noted in the description of the bank's assessment area, the bank's assessment area contains 42 low-income census tracts, 80 moderate-income census tracts, 117 middle-income census tracts, 100 upper-income census tracts, and 4 unknown census tracts. The analysis in this section illustrates the distribution of the bank's loan activity across these geographies. The following table displays the geographic distribution of Truman Bank's HMDA loans in comparison to owner-occupied housing statistics for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Geography

Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
Home Purchase	0 0.0%	14 40.0%	16 45.7%	5 14.3%	0 0.0%	**35** **100%**
Refinance	0 0.0%	1 50.0%	1 50.0%	0 0.0%	0 0.0%	**2** **100%**
Home Improvement	0 0.0%	1 33.3%	0 0.0%	2 66.7%	0 0.0%	**3** **100%**
Multi-Family	1 33.3%	2 66.7%	0 0.0%	0 0.0%	0 0.0%	**3** **100%**
HMDA TOTAL	1 2.3%	18 41.9%	17 39.5%	7 16.3%	0 0.0%	**43** **100%**
Owner-Occupied Housing	3.5%	16.8%	40.3%	39.3%	0.0%	**100%**

The analysis of HMDA loans revealed overall lending performance in LMI census tracts well above data used for comparison purposes. Bank performance in moderate-income census tracts was significantly above comparison data. The bank's total penetration of moderate-income census tracts by number of loans (41.9 percent) is well above the percentage of owner-occupied housing units in moderate-income census tracts (16.8 percent). In addition, the bank's performance by individual HMDA loan type exceeded the demographic comparison figure in each case. The bank's performance in moderate-income census tracts is also significantly above that of other lenders based on 2010 HMDA Aggregate Data,[14] which indicate that 7.8 percent of aggregate HMDA loans inside this assessment area were made to borrowers residing in moderate-income census tracts. The bank's total penetration of low-income census tracts by number of loans (2.3 percent) is slightly less than the percentage of owner-occupied housing units in low-income census tracts (3.5 percent). However, the bank's performance in low-income census tracts exceeds those of other lenders in the assessment area based on 2009 HMDA Aggregate Data, which indicate that 1.0 percent of aggregate HMDA loans inside this assessment area were made to borrowers residing in low-income geographies. Therefore, the bank's geographic distribution of HMDA loans is considered excellent.

As with the bank's HMDA loans, the geographic distribution of small business loans was also reviewed. The following table displays the results of this review, along with the estimated percentages of small business institutions located in each geography income category for comparison purposes.[15]

Distribution of Loans Inside Assessment Area by Income Level of Geography						
Dataset	Geography Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
Small Business Loans	6 11.5%	5 9.6%	14 26.9%	27 51.9%	0 0.0%	**52** **100%**
Business Institutions	5.3%	16.4%	35.3%	42.5%	0.5%	**100%**

As illustrated in the previous table, the bank's total penetration of low-income census tracts by the number of small business loans (11.5 percent) is well above 2010 business geodemographic data which indicates 5.3 percent of reporting small businesses are located within low-income census tracts. The bank's performance is also well above 2010 CRA Aggregate Data that indicate other lenders made 3.6 percent of small business loans in low-income census tracts. The bank's performance in moderate-income census tracts is lower than 2010 business geodemographic data which indicates 16.4 percent of reporting small businesses are located within moderate-income census tracts. The bank's performance is also slightly below the 2010 CRA Aggregate Data that indicate other lenders made 11.9 percent of small business loans in moderate-income census tracts. Given the bank's excellent penetration of low-income census

[14] HMDA Aggregate Data represent all lending activity collected and reported under the HMDA for this assessment area, based upon all financial institutions required to report such data.
[15] These statistics are derived from Business Geodemographic Data for the assessment area, as reported by Dun & Bradstreet (for the year 2010).

tracts and reasonable penetration of moderate-income census tracts, the geographic distribution of the bank's small business loans reflects reasonable dispersion throughout the assessment area.

Overall, based on reviews from both HMDA and small business loan categories, Truman Bank's geographic distribution of loans reflects excellent penetration throughout the assessment area.

Loan Distribution by Borrower's Profile

Borrowers are classified into low-, moderate-, middle-, and upper-income categories by comparing their reported income to the applicable median family income figure as estimated by HUD ($68,300 for the St. Louis MSA as of 2010). The following table shows the distribution of HMDA loans by borrower income level, compared to family population income characteristics for the assessment area.

Distribution of Loans Inside Assessment Area by Income Level of Borrower

Dataset	Borrower Income Level					TOTAL
	Low-	Moderate-	Middle-	Upper-	Unknown	
Home Purchase	0 0.0%	0 0.0%	5 14.3%	8 22.9%	22 62.9%	**35** **100%**
Refinance	1 50.0%	0 0.0%	0 0.0%	0 0.0%	1 50.0%	**2** **100%**
Home Improvement	0 0.0%	0 0.0%	0 0.0%	2 66.7%	1 33.3%	**3** **100%**
Multi-Family	0 0.0%	0 0.0%	0 0.0%	0 0.0%	3 100.0%	**3** **100%**
HMDA TOTAL	**1** 2.3%	**0** 0.0%	**5** 11.6%	**10** 23.3%	**27** 62.8%	**43** **100%**
Families	18.4%	16.9%	21.1%	43.6%	0.0%	**100%**

As indicated in the previous table, the bank extended only 2.3 percent by number of its HMDA loans to LMI (2.3 percent for low-income and 0.0 percent for moderate-income) borrowers. This level of lending is significantly below the number of LMI families in the assessment area, shown above to be 35.3 percent (18.4 percent low-income and 16.9 percent moderate-income). The bank's performance is also significantly lower than 2010 HMDA Aggregate Data that show a level of lending of 21.9 percent to LMI (6.7 percent low-income and 15.2 percent moderate-income) borrowers. While the bank's level of lending to LMI borrowers appears to be significantly lower than the family population and aggregate, there are performance context factors that must be considered. First, the bank's residential real estate lending strategy and expertise have historically been targeted primarily to commercial borrowers. This can be illustrated by the large number of HMDA reported loans (27 or 62.8 percent of all HMDA loans) that are designated "unknown" income. A substantial majority (92.6 percent) of these loans were made to businesses or other investors that are not required to report income for HMDA purposes. In addition, 63.0 percent of these "unknown" income properties are in LMI census tracts. Many of these properties in LMI census tracts may benefit LMI families and individuals by providing affordable housing which, according to community contacts, is a great need in the LMI communities within the assessment area. Although there are mitigating factors involved in the bank's performance in this loan product area, the bank's distribution of HMDA loans to LMI borrowers is considered poor.

Similar to the borrower's profile analysis conducted for HMDA loans, the bank's distribution of small business loans to businesses of various sizes was reviewed. The following table reflects Truman Bank's distribution of small business loans by gross annual revenue and loan amount.

Lending Distribution by Business Revenue Level				
Gross Revenue	**Loan Origination Amount (in $000s)**			**TOTAL**
	≤$100	**<$100≤$250**	**>$250≤$1,000**	
$1 Million or Less	13 25.0%	9 17.3%	9 17.3%	**31** **59.6%**
Greater Than $1 Million	6 11.5%	3 5.8%	12 25.0%	**21** **40.4%**
TOTAL	**19** **36.5%**	**12** **23.1%**	**21** **40.4%**	**52** **100%**

As the table above demonstrates, 31 of 52 loans reviewed (59.6 percent) were made to businesses with gross annual revenues of $1 million or less. While this is less than 2010 business geodemographic data from Dun and Bradstreet that indicate that 86.0 percent of businesses inside the assessment area are small businesses,[16] it is significantly greater than 2010 CRA Aggregate Data that reflect that 36.0 percent of the business loans originated in the assessment area were made to small businesses. Consequently, the bank's borrower's profile performance for the small business category is reasonable.

Therefore, in review of HMDA and small business loan data, the bank's overall borrower's profile distribution performance is considered reasonable.

[16] Under the CRA, a small business is considered one in which gross annual revenues for the preceding calendar year are $1 million or less.

Loan-to-Deposit (LTD) Ratio

One indication of the bank's overall level of lending activity is its LTD ratio. The table below displays the bank's quarterly average LTD ratio[17] in comparison to those of regional peers.

Loan-to-Deposit Ratio Analysis			
Name	**Asset Size[18]**	**Headquarters**	**Average LTD Ratio**
Truman Bank	$ 344,017	St. Louis, Missouri	89.4%
Regional Banks	$ 498,037	St. Louis, Missouri	62.7%
	$ 507,695	Clayton, Missouri	88.8%
	$ 365,027	Earth City, Missouri	88.0%

Based on data from the previous table, the bank's level of lending is comparable to that of other banks in the region. During the review period, the bank's LTD ratio ranged from a low of 84.8 percent to a high of 93.5 percent, representing a generally stable trend. In comparison, the average LTD ratios for the regional peers ranged from 62.7 to 88.8 percent. Therefore, in comparison to data from regional banks as displayed in the table above, the bank's average LTD ratio appears to be reasonable given the bank's size, financial condition, and assessment area credit needs.

[17] The average LTD ratio represents an 8-quarter average, dating back to the bank's last CRA evaluation.
[18] Asset size figures in this table represent total assets as of June 30, 2011 (in $000s).

Assessment Area Concentration

For the loan activity reviewed as part of this evaluation, the following table displays the number and dollar volume of loans inside and outside the bank's assessment area.

Lending Inside and Outside of Assessment Areas ($000s)			
Loan Type	**Inside Assessment Areas**	**Outside Assessment Areas**	**TOTAL**
HMDA	43 95.6%	2 4.4%	**45** **100%**
	$ 13,932 95.1%	$ 724 4.9%	**$ 14,656** **100%**
Small Business	52 91.2%	5 8.8%	**57** **100%**
	$14,692 95.2%	$734 4.8%	**$15,426** **100%**
TOTAL	**95** **93.1%**	**7** **6.9%**	**102** **100%**
	$ 28,624 **95.2%**	**$ 1,458** **4.8%**	**$ 30,082** **100%**

The loan sample analyses revealed that the bank originated a substantial majority of its loans within its designated assessment area. As illustrated in the previous table, 93.1 percent by number of loans (and 95.2 percent by dollar volume) is within the designated assessment area of the bank.

Review of Complaints

No CRA-related complaints were filed against the bank during the time frame used for this evaluation (August 3, 2009 through August 8, 2011).

COMMUNITY DEVELOPMENT TEST

The bank's overall community development performance demonstrates adequate responsiveness to the community development needs of its assessment area. This evaluation recognizes the bank's capacity for involvement and the availability of community development opportunities in the assessment area. The bank has addressed the needs identified through qualified community development loans, investments and donations, and community development services.

Community Development Loans

The bank made or renewed an adequate number and dollar amount of qualified community development loans during the evaluation period. The bank has refinanced six qualified community development loans totaling $6,478,060. Four of these loans were made to a not-forprofit organization with a specific community development purpose to revitalize or stabilize LMI geographies. The fifth loan was made to provide affordable housing, targeted to LMI individuals and families, in a low-income census tract. The last loan made provides essential services to LMI individuals and families within an Enterprise Zone.

All of the community development loans were originated in St. Louis City, which has the greatest need within the assessment area, given the relative number of LMI individuals and geographies in the assessment area. Given the demographics and needs of the bank's assessment area, its level of community development lending is considered adequate.

Community Development Investments

The overall level of qualified investments and donations demonstrates an adequate level of responsiveness within the bank's assessment area. At the time of the examination, the bank had three investments outstanding for a total of $1,807,048 that qualified for community development credit. This amount included $1,307,048 from prior period investments that remain in the bank's portfolio, and $500,000 in investments made in the current review period. One investment was a bond for infrastructure that will assist in the revitalization and stabilization of an LMI area. The other two investments, a business development fund and a community development fund, provide financing and capital to businesses that meet small business requirements.

In addition to the investments noted above, the bank donated a total of $3,000 to school districts within the assessment area whose students are from primarily LMI families.

Community Development Services

The bank's level of qualified community development services is considered poor based upon the level of activity throughout the evaluation period. In summary, the bank performed six services providing financial expertise and financial education to three organizations. Those benefited were LMI individuals or families throughout the bank's assessment area.

While the bank's level of qualified community development services is considered poor, the bank's network of branches and ATMs reflects an excellent dispersion throughout the assessment area. Two of the bank's four branches with ATMs are located in LMI census tracts. These facilities are available to LMI individuals and offer a broad range of loan and deposit products.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Based upon the Consumer Affairs review (including a fair lending analysis performed under Regulation B - Equal Credit Opportunity and 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.

GLOSSARY

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.

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.

Census tract: A small subdivision of metropolitan and other densely populated 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 upon 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 low- or moderate-income individuals; (2) community services targeted to low- or moderate-income 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 low- or moderate-income geographies, designated disaster areas, or distressed or underserved non-metropolitan 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 (such as age, race, sex, income, etc.) used especially to identify markets.

Distressed non-metropolitan 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 non-relatives 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 (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, 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: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing affordability ratio: Is 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 (for example, geographic distribution, borrower distribution, 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 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 a 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.

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) are measured. The criteria relate to lending, investment and service retail, 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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state 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 Report 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 either by 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 non-mortgage, 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 Report 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.
or more, in the case of a geography.