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Comptroller of the Currency  
Administrator of National Banks

**Large Bank**

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## **PUBLIC DISCLOSURE**

May 1, 2000

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**South Side National Bank in St. Louis  
Charter Number 14128**

**3606 Gravois Avenue  
St. Louis, Missouri 63116**

**Comptroller of the Currency**

**12312 Olive Boulevard, Suite 650  
St. Louis, Missouri 63141**

**NOTE:** This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or, opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## GENERAL INFORMATION

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the Community Reinvestment Act (CRA) performance of South Side National Bank in St. Louis, St. Louis, Missouri, as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of May 1, 2000. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## DEFINITIONS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Assessment Area (AA)**- The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance. Generally, an urban assessment area will not extend beyond the boundaries of a Metropolitan Statistical Area (MSA). A rural assessment area may contain one or more neighboring counties.

**Block Numbering Area (BNA)**- Statistical subdivisions of counties in which census tracts have not been established. BNA's have been established by the United States Census Bureau in conjunction with state agencies.

**Census Tract (CT)**- Small, locally defined statistical areas within an MSA. These areas are determined by the United States Census Bureau in an attempt to group homogeneous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

**Community Development (CD)**- Affordable housing (including multi-family rental housing) for low- and moderate-income (LMI) individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet 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; activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA)**- The statute that requires OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Full-Scope Review**- Performance under the Lending, Investment, and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g. geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g. innovation, complexity).

**Geography**- A census tract or a block numbering area 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 MSAs to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of the applicant(s), the amount of loan requested, and the disposition (e.g. approved, denied, withdrawn) of the application.

**Home Mortgage Loans**- Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

**Income-Levels**- These relate to individuals, families, and the CT's in an MSA.

**Low-Income** - Income levels that are less than 50 percent of the median family income.

**Moderate-Income** - Income levels that are at least 50 percent and less than 80 percent of the median family income.

**Middle-Income** - Income levels that are at least 80 percent and less than 120 percent of the median family income.

**Upper-Income** - Income levels that are 120 percent or more of the median family income.

**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, branch distribution).

**Median Family Income (MFI)**- The median income determined by the United States Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Statistical Area (MSA)**- Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Small Business Loans**- Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties or (2) commercial and industrial loans to U.S. addresses.

**Small Farm Loans**- Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland or (2) to finance agricultural production and other loans to farmers.

**SSNB**- South Side National Bank.

**Tier 1 Capital**- The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

## OVERALL CRA RATING

**INSTITUTION’S CRA RATING:** This institution is rated “Outstanding.”

The following table indicates the performance level of South Side National Bank in St. Louis (SSNB) with respect to the lending, investment, and service tests.

Performance Levels	South Side National Bank in St. Louis Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		
High satisfactory		X	X
Low satisfactory			
Needs to improve			
Substantial noncompliance			

\* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The distribution of lending in low- and moderate-income geographies is excellent. SSNB’s small business lending in the low- and moderate-income tracts exceeds the percentage of businesses located in these tracts. SSNB’s home mortgage lending in these tracts also exceeds the percentage of owner-occupied units in these areas.
- Lending to low- and moderate-income individuals is excellent. For all home mortgage products, SSNB's lending to low- and moderate-income individuals exceeds the percentage of low- and moderate-income families in the assessment area.
- South Side National Bank has made a good level of qualified investments during this evaluation period.
- SSNB's delivery systems provide good accessibility of services to geographies and individuals of different income levels.

## **DESCRIPTION OF INSTITUTION**

South Side National Bank in St. Louis (SSNB) is an intrastate bank headquartered in St. Louis, Missouri. SSNB services the southern portion of St. Louis City, the southern portion of St. Louis County, the northern portion of Jefferson County, and five census tracts in north St. Louis County surrounding its West Florissant branch. The bank operates 10 offices and 10 ATM's. Each branch has an Automated Teller Machine (ATM) on the premises except one. SSNB also has one free-standing ATM. The distribution of the branches shows one is located in low-, one is located in moderate-, five are located in middle-, and three are located in upper-income Census Tracts (CT's).

SSNB is wholly owned by Southside Bancshares Corp. (Southside) which is also headquartered in St. Louis, Missouri. Southside was incorporated in 1982 and operates four banks in eastern Missouri. Southside had total assets of \$678 million as of December 31, 1999.

As of December 31, 1999, the bank had \$454 million in total assets, \$245 million in total loans, and \$39 million in Tier I capital. The make-up of the loan portfolio was 29 percent 1-4 family residential loans, 34 percent commercial real estate loans, seven percent construction, and one percent secured by multifamily properties. Another 19 percent are commercial loans, only six percent are loans to individuals, with a very small one percent municipal loans and two percent other loans.

There are no financial, legal or other factors, which impede the bank's ability to meet its community's credit needs.

## **DESCRIPTION OF ASSESSMENT AREA**

SSNB has two assessment areas, both of which are located in the State of Missouri within the St. Louis Multi-state MSA. The St. Louis area is somewhat unusual since St. Louis City is an entire county separate from St. Louis County. SSNB's largest assessment area consists of 123 contiguous census tracts in south St. Louis City, a portion of Southeastern St. Louis County and a portion of northeastern Jefferson County. The other assessment area consists of five middle-income census tracts in North St. Louis County. These census tracts are contiguous and surround the West Florissant branch office in the City of Ferguson. Because both of these assessment areas are within the same MSA, we are combining the areas for analysis purposes. Of the total 128 census tracts, there are five (four percent) low-income, 23 (18 percent) moderate-income, 60 (47 percent) middle-income, and 38 (30 percent) upper-income census tracts.

The assessment area has a population of 710,948 people. Based on the 1999 HUD adjusted Median Family Income for the MSA of \$52,000, there are 14 percent low-income, 16 percent moderate-income, 24 percent middle-income, and 45 percent upper-income families in this portion of the St. Louis MSA.

Of the 301,928 housing units, 66 percent or 198,103 of the homes are owner-occupied. Less than two percent of the owner-occupied units are in the low-income tracts. Eight percent of the owner-occupied units are in the moderate-income census tracts, 49 percent are located in middle-income tracts, and the remaining 41 percent are in upper-income census tracts. Thirty-one percent or 93,712 of the housing units are rental occupied while the remaining 20,229 units (seven percent) are vacant. The median housing price for the St. Louis MSA is \$85,587 and the average age of homes is approximately 43 years old.

Business demographic data from Dun & Bradstreet indicate there are 23,327 businesses in the assessment area. Seventy-two percent or 16,759 of these businesses have gross revenues of less than \$1 million. Ten percent have revenues over \$1 million with the revenues of the remaining 18 percent of the businesses unknown. Of the total businesses, two percent are located in the low-income tracts and 10 percent are located in the moderate-income tracts. Another 42 percent are in the middle-income tracts, and 46 percent are in the upper-income tracts of the assessment area.

Business demographic data from Dun & Bradstreet indicate there are 510 farms in this assessment area. Ninety-five percent or 487 of these farms have gross revenues of less than \$1 million. Three percent have revenues over \$1 million with the revenues of the remaining two percent of the farms unknown. Of the total farms, two (0.4 percent) are located in the low-income tracts, five percent are located in the moderate-income tracts, 47 percent are in the middle-income tracts and 48 percent are in the upper-income tracts of the MSA.

Major employers in the MSA include: Anheuser-Busch, Monsanto, Ralston Purina, Boeing, Daimler-Chrysler, General Motors, Ford, A. G. Edwards and Edward Jones Company. Unemployment in the St. Louis area is very low; however, the rate for the City is somewhat higher. As of March 2000, St. Louis County's unemployment rate was only 2.2 percent, while the City of St. Louis showed a 5.2 percent rate.

There is a high level of competition in the financial services market in the St. Louis MSA. Based on FDIC branch information as of June 30, 1999, there are 20 commercial banks and five savings institutions with 93 offices in St. Louis City. There are 31 commercial banks and eight savings institutions with 263 offices in St. Louis County. There are 16 commercial banks and two savings institutions with 39 offices in Jefferson County. This includes a large number of both independent local financial institutions and branches of larger regional financial organizations. SSNB has only a 1.35 percent share of the combined three county market area.

The major competitors in this assessment area include Firststar Bank, National Association; Bank of America, National Association; Commerce Bank, National Association; Union Planters Bank, National Association; First Bank; Southwest Bank of St. Louis; Midwest Bank Centre (formerly Lemay Bank and Trust Company); and Allegiant Bank.

## **SCOPE OF THE EVALUATION**

### **Evaluation Period/Products Evaluated**

We reviewed HMDA (home purchase, home improvement, home refinance, and multi-family) and small business loans for the time period of January 1, 1998, to December 31, 1999. We reviewed community development loans made between April 13, 1998 and May 1, 2000. SSNB did not make any small farm loans during this time period. Additionally, SSNB chose not to have its consumer lending activity included in the CRA evaluation. The last CRA evaluation dated April 13, 1998 rated the bank “Satisfactory.”

The review of investments included a review of the investment portfolio and an analysis of the donations and grants provided to community service organizations between April 13, 1998, and May 1, 2000. Our evaluation of services included analyzing the bank’s branch and ATM network for the availability and effectiveness of delivering retail-banking services. We analyzed the effect of the changes in branch locations since the previous CRA examination. We also considered the extent and innovativeness of its community development services in meeting the credit needs of the assessment area.

### **Data Integrity**

Our review of all the submitted information noted only minor clerical errors. In order to determine the accuracy of data presented by the bank, we verified a sample of HMDA and small business loans. We reviewed a sample of HMDA reportable transactions to ensure the purpose, action taken, location, race, gender, applicant income, and loan size were accurately included on the Loan Application Register (LAR). We reviewed a sample of small business loans to ensure the loan type, original amount, location, and revenue categories were properly reported.

We reviewed all of the bank's community development loans. In addition, we reviewed all the donations the bank made from April 13, 1998, through May 1, 2000. We determined which organizations met the definition of community development and included those under the Investment Test. The bank submitted some loans and donations that did not meet the definition of community development; however, we only included the donations and loans that met the definition of community development in our analysis.

## **Selection of Areas for Full-Scope Review**

Our analysis included full scope examination procedures for both of SSNB's assessment areas. The two areas were reviewed on a combined basis since both areas are within the St. Louis Multi-state MSA.

## **Ratings**

Since the bank only has offices in one state, the overall rating is based on the entire performance of SSNB during the evaluation period. Since SSNB has historically focused on small business lending, this area of lending was given the most weight in reaching an overall conclusion for the Lending Test. Of the mortgage loan products, home purchase was given the most weight. Home improvement and home mortgage refinance lending were given little weight because SSNB only made 43 and 50 loans, respectively in these loan categories. SSNB did not make any small farm loans during this evaluation period; however, there is a very limited need for this type of lending in this area. There were only 71 loans reported by seven lenders in this area during 1998.

## **Other**

We did not review any information from community contacts conducted by other examiners; however, we performed three contacts in this area. These contacts were involved in low-income housing. The contacts indicated the major credit needs of the community were lower down payment loan products. The contacts felt this need was being met by the local financial institutions. These individuals also felt there was an adequate supply of affordable housing (both rental units and single family homes) in the area.

## **FAIR LENDING REVIEW**

We examined for compliance with the Equal Credit Opportunity Act and the Fair Housing Act during this CRA examination. We reviewed the bank's policies and procedures to identify areas of noncompliance. We sampled residential mortgage and installment loan files to ensure applicants were treated in a nondiscriminatory manner. We did not identify any violations of the significant provisions of the fair lending laws. The bank's policies, internal controls and training ensure ongoing compliance with fair lending laws.

## CONCLUSION WITH RESPECT TO PERFORMANCE TESTS

SSNB's overall CRA performance is **Outstanding**.

### LENDING TEST

The bank's performance under the Lending Test is rated "Outstanding." We assessed SSNB's lending performance by focusing our review on small business and HMDA loans. We also assessed the level of community development lending in relation to the opportunities available in SSNB's assessment area.

#### *Major Conclusions:*

- The distribution of small business loans shows that SSNB made an excellent level of loans in the low- and moderate-income tracts within its assessment area. The bank's lending percentages in these tracts exceeded the percentage of businesses located in the low- and moderate-income tracts.
- The bank's distribution of lending to borrowers reflects an excellent distribution among customers of different income levels. The bank's percentage of loans in all home mortgage loan categories (home purchase, home improvement and home refinance) to both low- and moderate-income borrowers exceeded the percentage of low- and moderate-income families in these areas.
- The bank's record of lending to businesses with revenue less than \$1 million is adequate. SSNB made over 53 percent of its small business loans to businesses with revenues of less than \$1 million. This performance is lower than the percentage of businesses with this level of revenue; however, the bank's results are similar to the market overall. Supporting information is included in Table 10.
- SSNB's community development lending shows a good level of loans in the St. Louis MSA in view of the opportunities available. SSNB originated six community development loans for \$558,000. The performance positively influenced the overall lending test rating.
- SSNB's lending levels for HMDA, small business, and community development loans reflect good responsiveness to assessment area credit needs. SSNB originated 429 loans totaling almost \$50 million. SSNB ranked 19th of all 111 lenders reporting small loans to businesses and ranked 73<sup>rd</sup> of the 317 lenders reporting home purchase loans in this portion of the MSA.
- A majority of the loans originated (59 percent of the number of loans) were made within the institution's assessment area.

## **Lending Activity**

Loans originated during the evaluation period reflect good responsiveness to identified credit needs. SSNB originated 429 loans totaling almost \$50 million during this evaluation period. HMDA lending shows a steady increase in both the number and dollars of loans made in low- and moderate-income tracts and to low- and moderate-income individuals since 1997. Refer to Table 1 in Appendix C for the facts and data used in evaluating the bank's lending activity.

SSNB's lending activity is good in relation to its share of deposits in this assessment area. The bank has a market rank of 14th of 52 institutions with a 1.35 percent share of the deposits in this three county area of the MSA. This places the bank in the top 27% of all financial institutions with offices in the three county area.

SSNB's commitment to meeting its AA's credit needs is demonstrated by the excellent volume of small business loans in the area. Small business lending is the second highest volume of lending with 168 loans totaling almost \$27 million made in the AA during the evaluation period. The bank ranked 19th out of 111 institutions with a 1.25 percent market share for small business lending in the AA. This places the bank in the top 17% of all lenders reporting small business loans in the assessment area. Although there are more than double the number of lenders as financial institutions with offices in this area, SSNB's small business loan market share is similar to its deposit market share.

SSNB's HMDA lending levels reflect good responsiveness to the housing needs of the AA. HMDA products provide SSNB's largest volume of lending by number of loans made in the evaluation period with 255 loans totaling \$22,594,000. During 1998, SSNB's overall market share of 0.17 percent for HMDA lending in the St. Louis MSA resulted in a market rank of 110th out of 486 institutions. This places the bank in the top 23% of all lenders reporting HMDA loans in the assessment area. The market share of HMDA loans is much lower than the deposit market share, but SSNB remains in the top quarter of all HMDA lenders in its assessment area. There are 52 financial institutions with offices in this assessment area; however, there are nine times as many banks and other companies, which make home mortgage loans in this assessment area. This helps explain why the home mortgage lending performance is considered good. Of all the lenders, which provide home mortgage loans in this assessment area, only the top 30 lenders have a market share above one percent. Seventeen of these 30 are mortgage companies.

## **Assessment Area Concentration**

A majority of the bank's loans are located within the AA. Of the 714 home mortgage and small business loans made 423 or 59 percent were extended within the AA. This is indicative of the bank's efforts to meet the credit needs within its assessment area. The following data shows the level of lending by different loan product:

- *Home Purchase*--SSNB originated 210 home purchase loans. One hundred forty nine or 71 percent of these loans were extended within the bank's AA.
- *Home Improvement*--SSNB originated 53 loans of which 42 or 83 percent originated in the bank's AA.
- *Refinance*--SSNB originated 88 refinance loans of which 50 or 57 percent were extended inside the bank's AA.
- *Multi-Family*--SSNB made 16 multi-family loans during this evaluation period. Thirteen or 81 percent of these loans were within the assessment area.
- *Small Business*--SSNB originated 347 small business loans of which 168 or 48 percent originated within the AA.
- *Small Farm*--SSNB did not originate any small farm loans during this evaluation period.

### **Distribution of Loans by Income Level of the Geography**

The geographic distribution of home mortgage and small business loans reflects an excellent level of lending in low- and moderate-income census tracts inside the AA. Refer to Tables 2, 3, 4, and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage and small business loan originations.

#### **Home Purchase Loans**

The geographic distribution of home purchase loans reflects an excellent level of lending in low- and moderate-income census tracts. The bank originated 149 home purchase loans. SSNB made 10 (seven percent) of these loans in the low-income census tract and made 29 (19 percent) of them in moderate-income tracts. Owner-occupied units in the low- and moderate-income tracts equal one percent and eight percent of the owner-occupied units in the assessment area, respectively. The home purchase loan distribution exceeds the distribution of owner-occupied units in both the low- and moderate-income census tracts. The bank ranks 73rd among 317 lenders with a market share of 0.3 percent of the number of home purchase loans made in the AA in 1998. SSNB's market share is good, and the bank's market share in the low- (1.9 percent) and moderate-income (0.5 percent) tracts exceeds the overall market share and the market share obtained in the middle- (0.2 percent) and upper-income (0.2 percent) tracts.

### **Home Improvement Loans**

The geographic distribution of home improvement loans reflects an excellent level of lending in low- and moderate-income census tracts. The bank originated only 43 home improvement loans during 1998 and 1999. The bank made only one (two percent) of the home improvement loans in low-income census tracts and made another 10 (23 percent) of them in moderate-income tracts. This performance exceeds the distribution of owner-occupied units. One percent and eight percent of the owner-occupied units are located in low- and moderate-income tracts, respectively. The bank ranks 34th among 110 lenders with a market share of 0.2 percent of the number of home improvement loans made in the AA. The bank did not make any home improvement loans in the low- or moderate-income tracts during 1998 and therefore, does not have any market share. SSNB's performance is adequate in relation to the low demand for this type of loan. There was a low level of home improvement lending reported by all lenders for 1998. Only 31 loans were reported in the low-income tracts and 267 loans in the moderate-income census tracts.

### **Home Mortgage Refinance Loans**

The geographic distribution of home mortgage refinance loans also reflects an excellent level of lending in low- and moderate-income census tracts. The bank originated 50 home mortgage refinance loans in 1998 and 1999. The bank made three (six percent) of these loans in low-income census tracts and made six (12 percent) of them in moderate-income tracts. This performance exceeds the distribution of owner-occupied units. Owner-occupied units in the low- and moderate-income tracts equal one percent and eight percent of all owner-occupied units in the AA, respectively. The bank ranks 166th among 374 lenders with a market share of 0.1 percent of the number of home mortgage refinance loans made in the AA. The bank's market share in the low-income tracts (0.6 percent) exceeds its overall market share while the market share in moderate-income tracts (0.1 percent) mirrors the overall market share. The market share in low- and moderate-income tracts equals or exceeds the market share obtained in the middle- (0.1 percent) and upper-income (0.0 percent) tracts.

### **Multifamily Loans**

The geographic distribution of SSNB's multi-family lending reflects an excellent level of lending in low- and moderate-income census tracts. SSNB made 13 multi-family loans in its assessment area which provided 102 units of affordable housing. Twelve of these loans were made in moderate-income census tracts. Of the 42,018 multi-family units, 18 percent are located in the moderate-income census tracts and three percent are in the low-income census tracts. SSNB's high level of multi-family lending in moderate-income census tracts demonstrates their strong efforts to improve the low- and moderate-income census tracts in their assessment area.

### **Small Business Loans**

SSNB's geographic distribution of small business loans reflects an excellent distribution of lending to businesses in low- and moderate-income census tracts. The bank made 15 (nine percent) small business loans in the low-income geography. Two percent of the businesses are located in the low-income geographies. The bank made another 30 (18 percent) of its small business loans in the moderate-income geographies. According to the business demographic data for the assessment area, 10 percent of the businesses are located in moderate-income geographies. SSNB ranks 19th of 113 lenders with a market share of 1.3 percent. The bank's market share in low-income census tracts (3.7 percent) and moderate-income tracts (2.5 percent) exceeds the bank's market share overall and in middle- (0.9 percent) and upper-income (1.0 percent) tracts.

### **Lending Gap Analysis**

An analysis of SSNB's penetration throughout the census tracts in its assessment area did not identify any conspicuous gaps in lending. There were 22 tracts of the 128 census tracts in which there were no loans (HMDA and small business) made by SSNB. These tracts were spread throughout the assessment area with no groups of contiguous tracts of more than 2 or 3 tracts. A further analysis of the tracts with no lending by SSNB shows two of the tracts are not classified by income level and are designated as income "not applicable." The areas of no lending were in both small business lending with 60 census tracts with no loans and HMDA with 37 census tracts with no loans. Most of the tracts with no small business loans were either middle- (30) or upper-income (16) tracts. For the low- and moderate-income tracts with no small business loans, there were 87 or fewer businesses located in each tract with one exception (120 businesses were in one of the moderate-income tracts). Of the 37 tracts with no HMDA loans, the majority was also either middle- (17) or upper-income (11) tracts. For the low- (one) and moderate-income (six) tracts with no HMDA loans, each tract showed 527 or fewer owner-occupied units located within the tract. It is reasonable that the bank did not make small business and/or HMDA loans in these census tracts based on the relatively few numbers of businesses or owner-occupied units in these areas.

### **Distribution of Loans by Income Level of the Borrower**

The distribution of lending to borrowers of different income levels reflects an excellent level of lending among retail customers and good level of lending to business customers of different size. SSNB's distribution of home mortgage loans to low- and moderate-income borrowers is excellent. The distribution for each loan type exceeds the distribution of low- and moderate-income families in the assessment area. SSNB made 53 percent of its small business loans to businesses with revenues of less than \$1 million. This performance is below the number of businesses with revenue less than \$1 million in the AA; however, SSNB's performance is

similar to the performance of all banks reporting small business loans (54 percent). Refer to Tables 7, 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage and small business loan originations.

### **Home Purchase Loans**

The distribution of lending to borrowers reflects an excellent level of home purchase loans to individuals of different income levels. An analysis of the 149 home purchase originations shows the bank extended 21 percent of the number of home purchase loans to low-income borrowers and 23 percent to moderate-income borrowers. These percentages exceed the AA demographics for low- and moderate-income families. Based on 1999 updated HUD median family income information, low- and moderate-income families represent 14 percent and 16 percent of the families in the assessment area, respectively. The bank ranks 73rd among 317 lenders with a market share of 0.3 percent of the number of home purchase loans made in the AA. The bank's market share of loans to low-income borrowers (0.5 percent) exceeds the overall market share and the market share to middle- (0.3 percent) and upper-income borrowers (0.3 percent). However, the market share to moderate-income borrowers (0.2 percent) is lower than the market share to middle- and upper-income borrowers, as well as the overall market share.

### **Home Improvement Loans**

The distribution of lending to borrowers reflects an excellent level of home improvement loans to individuals of different income levels. SSNB made 43 home improvement loans with eight (19 percent) of these loans to low-income borrowers and 14 (33 percent) to moderate-income borrowers. This performance exceeds the distribution of families in these income categories with 14 percent in the low-income and 16 percent in the moderate-income category. The bank ranks 34th among 110 lenders with a market share of 0.2 percent of the number of home improvement loans made in the AA. The bank has a 0.6 percent market share for 1998 for home improvement loans to low-income borrowers and no market share for moderate-income borrowers. The market share to low-income borrowers exceeds the market share for middle- and upper-income borrowers as well as the overall market share.

### **Home Mortgage Refinance Loans**

The distribution of lending to borrowers reflects an excellent level of home mortgage refinance loans to individuals of different income levels. An analysis of the 50 home mortgage refinance originations shows the bank extended 16 percent of the number of home mortgage refinance loans to low-income borrowers and 29 percent to moderate-income borrowers. These percentages exceed the AA demographics for low- and moderate-income families. Based on the 1999 updated HUD median family income information, low- and

moderate-income families represent 14 percent and 16 percent of all families in the assessment area, respectively. The bank ranks 166th among 374 lenders with a market share of 0.1 percent of the number of home mortgage refinance loans made in the AA. The bank's market share of refinance loans to low-income borrowers (0.2 percent) exceeds the market share to both middle- (0.1 percent) and upper-income borrowers (0.0 percent) as well as the overall market share. Market share of refinance loans to moderate-income borrowers equals or exceeds that of middle- (0.1 percent) and upper-income borrowers (0.0 percent) as well as the overall market share.

### **Small Business Loans**

SSNB's lending levels for small business loans reflect adequate responsiveness to community credit needs. Fifty-three percent of the small business loans reported were made to companies with annual revenues less than \$1 million. This performance mirrors the overall market in which 111 lenders reported 54 percent of their small business loans to businesses with revenues less than \$1 million. The bank's performance falls below the percent of the businesses that have revenues less than \$1 million (72 percent). The bank's market share of small business loans to businesses with revenues of less than \$1 million (1.2 percent) essentially meets its overall small business market share of 1.3 percent.

SSNB's small business distribution shows a significant amount of these loans are for small dollar amounts. Sixty-five percent of the reported small business loans were for original amounts of \$100,000 or less. An additional 15 percent of SSNB's small business loans were for original amounts between \$100,000 and \$250,000. Twenty percent of all reported small business loans were originated for amounts between \$250,000 and \$1,000,000. Table 10 illustrates the distribution of loans by original loan amount and to businesses with revenues less than \$1 million.

### **Community Development Lending**

SSNB made a high level of community development loans in this assessment area. Based on information received from our community contacts, Community Reinvestment and Development Specialists in our office, and the Internet, there are some opportunities for community development lending. SSNB originated six community development loans for \$588,200 during this evaluation period. Five of these loans for \$488,200 funded affordable housing for low- and moderate-income individuals. These loans provided 102 units of affordable housing in areas where there is a significant need for this type of housing.

The five loans for affordable housing allowed the borrowers to purchase the multi-family structures. All of the buildings are located in moderate-income census tracts and provide rents at lower than the market rate and are affordable to low- and moderate-income individuals.

## Product Flexibility

SSNB's flexible lending programs positively influenced the lending test rating. SSNB offers two flexible-lending products in order to serve its AA credit needs. These products include minimal or zero down payment mortgage programs through the secondary market as well as in-house products. All of these products are available throughout all of SSNB's assessment area. A brief description of each loan program and the volume (numbers and dollars) of activity for each program during this evaluation period follows.

- *CRA Loan Program* - 45 loans - \$2,647,775

This program is an in-house affordable mortgage program. The loan program targets low- and moderate-income individuals and requires no down payment. The program includes a minimal investment from the borrower (\$250 if low-income individual or \$500 if a moderate-income individual) which can be used to cover closing costs. Remaining closing costs can come from any source including grants, gift, loan or the seller.

- *Sustainable Neighborhoods Initiative - St. Louis Home Safety Partnership* - No loans have been made as of this date

This is a brand new program started within the past month which provides funding to improve residential properties related to Fire Prevention (i.e. upgrading electric, rebuilding chimneys, staircases, roofs, replacing furnaces, structural repairs, etc). In an effort to make these loans more affordable to low- and moderate-income borrowers, SSNB offers discounted interest rates, allows for higher debt ratios, and pays one-half of the cost of appraisals (up to \$200). Due to the recent development of this product, there have not been any loans made as of the date of this document.

## INVESTMENT TEST

The bank's performance under the Investment Test is rated "High Satisfactory." Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

### *Major Conclusions:*

- SSNB originated a good level of community development investments based on its size, financial capacity and AA opportunities. During the evaluation period, SSNB made 21 investments for \$227,352 in qualified investments and donations, which benefited its assessment area. Additionally, five investments made in prior periods of \$235,315 remain outstanding on the bank's books.
- The bank displayed good responsiveness to the credit and community economic development needs in its AA. Information obtained from the Community Reinvestment and Development Specialists at the OCC and from the bank indicates there are some investment opportunities, but not a high level of opportunity.

The level of qualified investments is good. Based on information obtained during this examination, there was an adequate level of investment opportunities with a community development purpose available to SSNB during this evaluation period. SSNB made 19 investments for \$220,000 in the assessment area. The majority of the investments are related to providing affordable housing in the City of St. Louis and nearby communities. Nine of the qualified investments amounting to \$128,161 were associated with affordable housing and another 10 of the qualified investments for \$91,991 were to organizations involved in providing community services to low- and moderate-income individuals. Specific details of some of the more significant qualified investments follow:

- During the evaluation period, SSNB funded \$111,021 of its commitment to the St. Louis Equity Fund. Additionally, \$210,315 contributed to this organization in prior periods remains an investment on the bank's books. Since 1994, SSNB has made annual commitments to this organization for a total commitment of \$1 million (\$601,321 of this total is unfunded). This organization buys Low Income Housing Tax Credits (LIHTC's) from local developers of affordable housing projects and passes the credits on to investors.
- SSNB donated \$78,366 to organizations involved in providing community services targeted at children from low- and moderate-income homes.
- SSNB made \$7,200 available to a community development organization to fund its small business revolving loan program.

- SSNB donated \$9,087 to organizations, which work with low- and moderate-income individuals to assist them in attaining home ownership. Some of these organizations are actively involved in providing home ownership counseling. A portion of this amount was an in-kind donation of furniture for the offices maintained by the organization. The organization estimated the replacement value of these items at \$3,087.

SSNB also made several smaller donations to various community groups and organizations that promote affordable housing, stabilize low- and moderate-income areas or provide community development services to low- and moderate-income families in the St. Louis MSA.

## **SERVICE TEST**

The bank's performance under the Service Test is rated "High Satisfactory." This rating was primarily driven by the distribution of the bank's branches and ATM's. Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### ***Major Conclusions:***

- SSNB's delivery systems provide good accessibility of services to geographies and individuals of different income levels. The distribution of the bank's offices and ATM's, based on income level of the tract in which it is located, exceeds the distribution of the population living in the low-income level tracts and is slightly lower than the distribution of the population living in the moderate-income level tracts.
- Relative to its size and financial capacity, the bank provides a high level of community development services in its assessment area. Both the number of employees and the number of organizations with which they work contributed to the conclusion that the community development services provided was high.

### **Retail Banking Services**

SSNB's delivery systems are readily accessible to geographies and individuals of different income levels. In addition to the main office, SSNB operates nine branch facilities and 10 automated teller machines (ATM's). Eight of the branches offer full-service banking. The other branch location offers depository services only due to its small physical size; however, the branch is within close walking distance of the bank's main office. Loan officers or personal bankers will meet customers at this location, if requested or as necessary. ATM's are located at each of the bank locations with the exception of the depository branch. Additionally, there is one off-premise ATM.

SSNB's opening and closing of branches has not adversely affected the accessibility of its delivery systems in low- and moderate-income areas or to individuals. The bank has not closed any branches during this evaluation period. However, three new branches have been added in middle- and upper-income census tracts.

The distribution of the bank's locations is favorable when compared to the distribution of the population of the assessment area. One (10 percent) of the bank's offices are in low-income tracts and an additional one (10 percent) of the offices are located in moderate-income tracts. There are five branches (50 percent) in middle-income tracts with the other three offices (30 percent) in upper-income census tracts. Less than three percent of the AA's population (2.75 percent) lives in the low-income tract and 12.73 percent lives in the moderate-income tracts. The distribution of the ATM's is similar to the branch distribution; however, there is no ATM in the low-income tracts. There is one (10 percent) ATM located in a moderate-

income census tract. Although the distribution of ATM's is below the distribution of the population, the distribution of the branches generally meets or exceeds the distribution of the population in low- and moderate-income census tracts. This distribution contributes to the overall good accessibility of the bank's facilities to low- and moderate-income individuals.

SSNB's hours and services are good and offer reasonable access and convenience. Each location has drive-up facilities. Lobby hours are from 9 a.m. to 5 p.m. Monday through Friday at all locations except the depository location, which closes at 4 p.m. Drive-up hours are from 8 a.m. to 6 p.m. at all locations except one branch opens at 7 a.m. and the depository branch closes at 4 p.m. Monday through Thursday. Saturday hours are 9 a.m. to 12 noon at all locations, both in the lobby and at the drive-up.

SSNB offers additional alternative delivery systems used to expand the availability of retail bank services to all areas of the AA. The bank offers 24-hour ATM's, Bank-by-Telephone, Telebanking, Bank-by-mail, and PC banking to its customers including low- and moderate-income customers. However, SSNB did not have any information to show how low- and moderate-income individuals or geographies benefited from any of these alternative delivery systems. Therefore, although we considered the distribution of the bank's ATM's we could not place significant weight on the other alternative delivery systems when drawing our CRA performance conclusions.

### **Community Development Services**

SSNB has provided a high level of community development services. There are several employees involved with many organizations in providing community development services to many individuals in the assessment area. The following examples illustrate some of the services provided:

- St. Louis Business Development Fund

This community service organization provides capital to St. Louis area small businesses. The funds are used to fulfill a funding gap for these small businesses. An employee of SSNB is on the Board of Directors and sits on its Credit Approval Committee.

- St. Louis Equity Fund

As explained under the investment test, this organization buys LIHTC's from local developers involved in providing affordable housing. The tax credits are then passed on to the investors. Two bank employees serve as board members for the Loan Fund for this organization.

- Housing Corporations

Numerous employees of SSNB work with eight local organizations involved in assisting low- and moderate-income individuals in attaining home ownership. These employees work with these organizations by serving on the board of directors and on loan committees.

- Job Skills Organizations

Employees of SSNB also work with local organizations which provide job training and business ownership instruction. These services are targeted at low- and moderate-income individuals and small business owners.

- Individual Development Account Pilot Program

SSNB is a depository bank for this program, which targets low- and moderate-income households. Participants must have income of less than 200 percent of the poverty level or 80 percent of the median household income. The program promotes investment and builds assets in disadvantaged neighborhoods. Participants maintain a savings account at a participating institution and receive a 1:1 match towards homeownership, maintenance expenses, education or job training, small business, or an automobile.

- Banking Basics Training Program

Several of SSNB's employees serve as instructors in this bank training program targeted to providing financial education to low- and moderate-income children. The program focuses on teaching students various banking activities from balancing a checkbook, using an ATM, or acquiring an automobile loan.

- Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP).

SSNB has applied to obtain funds under the FHLB's affordable housing program. The bank has not been selected to receive funding under this program, but has contributed a significant amount of time and effort towards their acceptance into this program. SSNB has recently filed another proposal to the FHLB for participation in this program.

## APPENDIX A: SCOPE OF EXAMINATION

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term "Full-Scope") and those that received a less comprehensive review (designated by the term "Limited-Scope").

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 1/1/98 to 12/31/99 Investment and Services Tests and CD Loans: 4/13/98 to 5/1/2000		
<b>Financial institution</b>		<b>Products reviewed</b>	
South Side National Bank in St. Louis St. Louis, Missouri		Small Business, HMDA, and Community Development loans	
<b>Affiliate(s)</b>	<b>Affiliate relationship</b>		<b>Products reviewed</b>
None			None
<b>List of Assessment Areas and Type of Examination</b>			
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Branches Visited</b>	<b>Other Information</b>
St. Louis MSA	Full-Scope	Main office & Telegraph	

# **Appendix B: Market Profiles for Full-Scope Areas**

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### **Market Profiles for Areas Receiving Full-Scope Reviews**

St. Louis MSA .....	28
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Market Profile

Demographic Information for the Area: SSNB ST. Louis MSA		Evaluation Period 01/01/1998 TO 12/31/1999											
		Total		Low Income Tracts		Mod Income Tracts		Middle Income Tracts		Upper Income Tracts		NA Income Tracts	
	#	%	#	%	#	%	#	%	#	%	#	%	#
Demographic Characteristic													
Geographies (Census Tracts/BNAs)	128	3.91	5	17.97	23	46.88	60	29.69	38	1.56	2		
Population by Geography	710,948	2.75	19,541	12.73	90,535	45.81	325,665	38.71	275,179	0.00	28		
Owner-Occupied Housing by Geography	198,103	1.33	2,626	8.26	16,354	49.06	97,196	41.36	81,927	0.00	0		
Business by Geography	23,327	2.02	472	9.95	2,321	41.87	9,767	45.84	10,694	0.31	73		
Farms by Geography	510	0.39	2	4.51	23	47.25	241	47.84	244	0.00	0		
Family Distribution by Income Level	191,955	14.44	27,714	16.48	31,643	24.39	46,825	44.68	85,773	0.00	0		
Distribution of Low and Moderate Income Families throughout AA Geographies	59,357	5.57	3,309	21.86	12,977	52.76	31,317	19.80	11,754	0.00	0		
Median Family Income	37,995		Median Housing Value	85,587									
HUD Adjusted Median Family Income for 1999	52,000		Unemployment Rate	4.22%									
Households Below Poverty Level	10.46%												

Source: 1990 US Census and HUD update MFI

## APPENDIX C: TABLES OF PERFORMANCE DATA

### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the "bank" include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/AA; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/AA.

The following is a listing and brief description of the tables included in each set:

**Table 1. - Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/AA.

**Table 2. - Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 3. - Geographic Distribution of Home Improvement Loans** - See Table 2.

**Table 4. - Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.

**Table 5. - Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 6. - Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 7. - Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/AA. The table also presents market rank and market share information based on the most recent aggregate market data available.

**Table 8. - Borrower Distribution of Home Improvement Loans** - See Table 7.

**Table 9. - Borrower Distribution of Home Mortgage Refinance Loans** - See Table 7.

**Table 10. - Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the bank's percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

**Table 11. - Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the bank's percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 12. - Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

**Table 13. - Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's retail branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA.

**Table 14. - Geographic and Borrower Distribution of Consumer Loans (Optional)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Evaluation Period 01/01/1998 TO 12/31/1999												
		% of Rating Area Deposits in AA *		Home Mortgage		Small Business		Small Farm		Community Development		Total Reported Loans		% of Rating Area Loans in AA (% of #)
MSA/Assessment Area		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Scope</b>														
SSNB ST. Louis MSA	100.00	255	22,594	168	26,724	0	0	0	0	0	588	429	49,31806	100.00

\* Deposit Data as of June 30, 1999

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Purchase Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid		Upp	#
<b>Full Scope</b>																
SSNB ST. Louis MSA	1	7	8	19	49	44	41	30	73	0.3	1.9	0.5	0.2	0.2	149	100

\* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

\*\* Home purchase loans within an MSA/AA as a % of all home purchase loans in the rating area.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography				Total Home Improvement Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
SSNB ST. Louis MSA	1	2	8	23	49	65	41	9	34	0.2	0.0	0.0	0.4	0.1	43	100

\* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

\*\* Home improvement loans within an MSA/AA as a % of all home improvement loans in the rating area.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography				Total Home Mortgage Refinance Loans		
	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans	% Owner Occ Units	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
SSNB ST. Louis MSA	1	6	8	12	49	34	41	48	166	0.0	0.6	0.1	0.1	0.0	50	100

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* Refinance loans within an MSA/AAA as a % of all refinance loans in the rating area.

**Table 5. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL BUSINESS		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Small Business Loans		
	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans	% of Businesses	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
SSNB ST. Louis MSA	2	9	10	18	42	38	46	36	19	1.23	3.7	2.5	0.9	1.0	168	100

\* Based on 1998 Aggregate Small Business Data Only only. Market rank is for all income categories combined.

\*\* Small Business loans within an MSA/AA as a % of all Small Business loans in the rating area.

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL FARM		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Loans Small Farm Loans		
	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans	% of Farms	% Bank Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
<b>Full Scope</b>																
SSNB ST. Louis MSA	0	0	5	0	47	0	48	0	0	0.0	0.0	0.0	0.0	0	0	0

\* Based on 1998 Aggregate Small Business Data Only only. Market rank is for all income categories combined.

\*\* Small Farm loans within an MSA/AAA as a % of all Small Farm loans in the rating area.

**Table 7. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HMDA HOME PURCHASE		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share by Borrower Income*				Total Home Purchase Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
SSNB ST. Louis MSA	14	201	16	23	24	20	45	345	73	0.3	0.5	0.2	0.3	0.3	149	100

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 8. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Evaluation Period 01/01/1998 TO 12/31/1999														
MSA/Assessment Area	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank*	Market Share By Borrower Income*				Total Home Improvement Loans		
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total
<b>Full Scope</b>																
SSNB ST. Louis MSA	14	19	16	33	24	23	45	26	34	0.2	0.6	0.0	0.4	0.2	43	100

\* Based on 1998 Aggregate HMDA Data Only only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 9. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Evaluation Period 01/01/1998 TO 12/31/1999															
MSA/Assessment Area	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Overall Market Rank*	Market Share by Borrower Income*				Total Loans			
	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**	% of Families	% Bank Loans**		Overall	Low	Mod	Mid	Upp	#	% of Total	
<b>Full Scope</b>																	
SSNB ST. Louis MSA	14	16	16	29	24	26	28	45	28	166	0.0	0.2	0.1	0.1	0.0	50	100

\* Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

\*\* As a percentage of loans with borrower income information available.

**Table 10. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL BUSINESS		Evaluation Period 01/01/1998 TO 12/31/1999						
MSA/Assessment Area	Businesses With Revenues of \$1 million or less		% Distribution of Loans by Original Amount of Business Size		Market Share*		Total Small Business Loans	
	% Business**	% Bank Loans***	% Market Loans*	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	Rev \$ 1 Million or Less # % of Total	
<b>Full Scope</b>								
SSNB ST. Louis MSA	72	53	5154	65	15	20	1.3 1.2 168 100	

\* The market consists of all other Small Business reporters in BANK's assessment area and is based on 1998 Aggregate Small Business Data Only only

\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses.

\*\*\* Loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No revenue information was available for 6% of small loans to businesses reported by the BANK.

**Table 11. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL FARM		Evaluation Period 01/01/1998 TO 12/31/1999							
MSA/Assessment Area	Businesses With Revenues of \$ 1 million or less		% Distribution Loans by Original Amount Regardless of Farm Size		Market Share*		Total Small Farm Loans		
	% Farms**	% Bank Loans***	\$100,000 or less	> \$100,000 to \$250,000	All	Rev \$ 1 Million or Less	#	% of Total	
<b>Full Scope</b>									
SSNB ST. Louis MSA	95	0	72	0	0	0.0	0	0	0

\* The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1998 Aggregate Small Business Data Only only

\*\* As a Percentage of Farms with known revenues.

\*\*\* As a percentage of loans with borrower income information available.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Evaluation Period 01/01/1998 TO 12/31/1999							
MSA/Assessment Area	Prior Period Investments*		Current Period Investments		Total Investment		Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Scope</b>									
SSNB ST. Louis MSA	4	235	21	227	26	462	100.00	7	601,321

\* "Prior Period Investments" means investments made in a previous evaluation period that remains outstanding as of the examination date.

\*\* "Unfunded Commitments" means legally binding commitments reported on Report of Condition Schedule L-"Off-Balance Sheet Items".

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM		Evaluation Period 01/01/1998 TO 12/31/1999															
MSA/Assessment Area	Deposits % of Total Bank Deposits	Branches			Branch Openings/Closings			Population									
		# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)	# of Branch Openings	# of Branch Closings	Net gain(+) / loss(-) of branches due to openings/closings	% of the Population with Each Geography*									
								Low (%)	Mod (%)	Upp (%)	Low	Mod	Upp				
SSNB ST. Louis MSA	100.00	10	100.00	10.00	10.00	50.00	30.00	10	43	0	0	2	1	2.75	12.73	45.81	38.71
<b>Full Scope</b>																	

\* The percentage of the population in the MSA/AA that resides in these geographies.