



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

PUBLIC DISCLOSURE

May 24, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of St. Louis
Charter Number 12333**

**7707 Forsyth Boulevard
St. Louis, Missouri 63105**

Comptroller of the Currency

**13 Executive Drive, Suite 7
Fairview Heights, Illinois 62208**

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 First National Bank of St. Louis, St. Louis, Missouri, as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of May 24, 1999. 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 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 a 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.

FNB-STL- First National Bank of St. Louis.

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 the 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 loan, 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 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.

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 “**Satisfactory Record of Meeting Community Credit Needs.**”

The following table indicates the performance level of First National Bank of St. Louis with respect to the lending, investment, and service tests.

Performance Levels	First National Bank of St. Louis Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			
Low satisfactory	X	X	X
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 geographic distribution of loans made by First National Bank of St. Louis is reasonable. An adequate number of loans made by the bank are in low- and moderate-income census tracts. Home purchase, home improvement and home mortgage refinance loans each show 2% of all loans were made in moderate-income census tracts. This is reasonable since only 2% of the owner-occupied units in the assessment area are in the moderate-income tracts.
- Loans to borrowers of different income levels and businesses of different sizes show a reasonable distribution. The distribution of both home purchase and home improvement loans indicate that 10% of the loans were made to moderate-income families. This is only slightly lower than the opportunity represented by census information that 12% of the families in the assessment area are moderate-income.

- First National Bank of St. Louis has made a reasonable amount of community development investments in its assessment area. During the evaluation period, \$1,106,000 was invested in qualified investments.

DESCRIPTION OF INSTITUTION

First National Bank of St. Louis (FNB-STL) is a \$749 million institution located in the western suburbs of St. Louis, Missouri. The bank is headquartered in Clayton and operates 7 branches. FNB-STL services St. Charles County, Warren County, and the central corridor of St. Louis County. Seven of the eight offices are in the western portion of St. Louis County. The remaining branch is in St. Charles County. There are no branches in Warren County. Each branch has an Automated Teller Machine (ATM) on the premises, totaling nine in the assessment area. All branches are located in upper-income Census Tracts (CT's).

During the evaluation period, FNB-STL acquired the former Colonial Bank. The merger was effective September of 1998. Prior to the merger FNB-STL had total assets of \$520 million and Colonial Bank had \$217 million.

FNB-STL is owned by Central Bancompany, Inc. (Central), which is headquartered in Jefferson City, Missouri. Central owns 13 banks throughout the state of Missouri. FNB-STL primarily serves professionals and executives who are employed or reside in the local area. They offer a wide range of banking services and commercial loan activity is high.

As of December 31, 1998, the bank had \$501 million in total loans. The make-up of the loan portfolio was 71% real estate secured. Thirty-five percent of the portfolio is 1-4 family residential loans, 27% is commercial real estate loans, 15% is commercial loans, and only 8% is loans to individuals.

SCOPE OF THE EVALUATION

Evaluation Period/Products Evaluated

We reviewed HMDA (home purchase, home improvement, home refinance, and multi-family), small business (loans with original amounts of \$1 million or less), small farm, and community development loans for the time period of January 2, 1997, to December 31, 1998. Since the bank made only 1 small farm loan during this period, our evaluation of farm loans was limited to the lending activity portion of the lending test for this type of loan. FNB-STL chose not to have its consumer lending activity included in the CRA evaluation. Due to the merger during 1998, no loan data from the former Colonial Bank for 1997 was included in the analysis. However, the 1998 information includes all loans made by both institutions for the entire calendar year. The last CRA evaluation dated February 5, 1997, rated the bank “Satisfactory Record of Meeting Community Credit Needs.”

The review of investments included a review of the investment portfolio and an analysis of the donations and pledges provided to community service organizations. Our evaluation of services included analyzing the bank’s branch/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

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, race, gender, applicant income, and loan size were accurately included on the Loan Application Register (LAR). The sample of small business loans was reviewed to ensure the loan type, original amount, and revenue categories were properly reported. Our review of the HMDA information noted only minor clerical errors. The review of small business loans noted errors significant enough that the bank refiled their small business data prior to the examination. Our analysis is based on the corrected data.

We also reviewed 100% of the loans the bank was reporting as community development. In addition, we reviewed all the donations the bank made from January 2, 1997, through December 31, 1998. With assistance from bank personnel, we determined which organizations met the definition of community development and only included those under the investment test. Overall, the bank submitted several loans and donations that did not meet the definition of community development. 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 FNB-STL's only assessment area.

Ratings

Since the bank has only one assessment area, the overall rating is based on the entire performance of FNB-STL during the evaluation period.

Other

During this examination, we reviewed information from three community contacts conducted by other examiners. These organizations represented economic development in the assessment area. Credit needs identified through these contacts include small business loans and home mortgage loans.

FAIR LENDING REVIEW

Our fair lending review consisted of two (2) separate comparative file analyses. The first analysis consisted of comparing denied female applicants to approved male applicants. We looked at unsecured loan applicants for a six-month time period. We evaluated the underwriting decisions to determine whether the female applicants were treated similarly to the male applicants. We also compared the rates and terms provided to individual male and female borrowers for home purchase loans during 1998. Neither the review of the group of applicants for unsecured credit nor the group of borrowers for home purchase loans showed any disparate treatment.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

FNB-STL's overall CRA performance is **Satisfactory**. FNB-STL has met the intent of the Community Reinvestment Act.

LENDING TEST

The bank's performance under the Lending Test is rated "Low Satisfactory." We assessed FNB-STL's lending performance by focusing our review on small business, small farm, and HMDA loans.

Major Conclusions:

- The bank's distribution of borrowers reflects adequate distribution among customers of different income levels. Four percent (4%) of the home purchase loans were originated to low- and 10% to moderate-income borrowers in the St. Louis MSA AA.
- The bank's record of lending to small businesses is adequate. Over 54% of the small business loans were made to businesses with revenues of less than \$1 million.
- FNB-STL's lending levels for HMDA, small business, small farm, and community development loans reflect reasonable responsiveness to assessment area credit needs. FNB-STL originated 793 loans totaling approximately \$122 million in their assessment area during this evaluation period.
- A majority of the loans originated (71% of the number of loans) were made within the institution's assessment area.

Lending Activity

Loans originated during the evaluation period reflect an adequate responsiveness to identified credit needs. FNB-STL made 793 loans totaling \$122,497,000 in their assessment area during the evaluation period. Refer to Table 1 in Appendix C for the facts and data used in evaluating the bank's lending activity.

FNB-STL's HMDA lending levels reflect good responsiveness to the housing needs of the AA. The largest volume of lending by number of loans made in the evaluation period is HMDA products with 450 loans totaling \$78,331,000. During 1997, FNB-STL's overall market share of 0.44% for HMDA lending resulted in a market rank of 54th out of 393 institutions. FNB-STL also made 12 multi-family loans during the evaluation period.

FNB-STL's commitment to meeting its AA credit needs is demonstrated by the volume of small

business loans in the area. Small business lending is the second highest volume of lending with 341 loans totaling almost \$44 million made in the AA during the evaluation period. The bank ranked 18th out of 129 institutions with a 1.41% market share for small business lending in the AA.

FNB-STL's small farm lending reflects adequate responsiveness to the credit needs of the assessment area. The bank originated one loan for a total of \$3,000 within the assessment area during 1998. However, the need for this type of lending in the AA is minimal. During 1997, only 182 farm loans were reported for all 20 lenders in this AA. Only the top 5 lenders reported more than 5 farm loans in the assessment area.

Assessment Area Concentration

A majority of the bank's loans are located within the AA. This is indicative of the bank's efforts to meet the credit needs within their assessment area. The following data shows the level of lending inside the AA during the evaluation period:

- *Home Purchase*--FNB-STL originated 284 home purchase loans. Two hundred and two (202) or 71% of these loans were extended within the bank's AA.
- *Refinance*--FNB-STL originated 190 refinance loans, and 154 or 81% were extended inside the bank's AA.
- *Home Improvement*--FNB-STL originated 115 loans of which 82 or a total of 71% originated in the bank's AA.
- *Multi-Family*--FNB-STL made 24 loans, 12 (50%) of which were inside the bank's assessment area.
- *Small Business*--FNB-STL originated 500 small business loans of which 341 or 68% originated within the AA.

Distributions of Loans by Income Level of the Geography

The geographic distribution of home mortgage and small business loans reflects an adequate 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 adequate level of lending in low- and moderate-income census tracts in the AA. The bank originated 202 home purchase loans in 1997 and 1998. The bank did not make any of these loans in low-income census tracts and made 4 (1.98%) of them in moderate-income tracts. Although this distribution falls below that of the AA, the distribution is reasonable when you consider the distribution of the owner-occupied units in the assessment area. Owner-occupied units in the low- and moderate-income tracts equal just 0.07% and 1.95% of the owner-occupied units in the assessment area, respectively. The bank ranks 55th among 312 lenders with a market share of 0.39% of the number of home purchase loans made in the AA. Although FNB-STL's market share is low, the bank has obtained market share in the moderate-income tracts (1.00%) that exceeds the market share obtained in the middle- (0.31%) and upper-income (0.41%) tracts.

Home Improvement Loans

The geographic distribution of home improvement loans reflects an adequate level of lending in low- and moderate-income census tracts in the AA. The bank originated 82 home improvement loans in 1997 and 1998. The bank did not make any of these loans in low-income census tracts and made 2 (2.44%) of them in moderate-income tracts. Although this distribution falls below that of the AA, the distribution is reasonable when you consider the distribution of owner-occupied units in the assessment area. Owner-occupied units in the low- and moderate-income tracts equal just 0.07% and 1.95% of all owner-occupied units in the assessment area, respectively. The bank ranks 15th among 107 lenders with a market share of 1.32% of the number of home improvement loans made in the AA. FNB-STL did not make any home improvement loans in the low- or moderate-income tracts during 1997, so they had no market share.

Home Mortgage Refinance Loans

The geographic distribution of home mortgage refinance loans reflects an adequate level of lending in low- and moderate-income census tracts in the AA. The bank originated 154 home mortgage refinance loans in 1997 and 1998. The bank did not make any of these loans in low-income census tracts and made 3 (1.95%) of them in moderate-income tracts. Although this distribution falls below that of the AA, the distribution is reasonable when you consider the distribution of owner-occupied units in the assessment area. Owner-occupied units in the low- and moderate-income tracts equal just 0.07% and 1.95% of all owner-occupied units in the AA, respectively. The bank ranks 79th among 323 lenders with a market share of 0.29% of the number of home mortgage refinance loans made in the AA. The bank has obtained market share in the moderate-income tracts (0.49%) that exceeds the market share obtained in the middle- (0.29%) and upper-income (0.29%) tracts.

Multifamily Loans

The geographic distribution of multifamily loans reflects an adequate level of lending in low- and moderate-income census tracts in the AA. The bank originated 12 multifamily loans in 1997 and 1998. The bank did not make any of these loans in low- or moderate-income census tracts. Out of all of the lenders reporting HMDA activity in 1997, no multifamily loans were made in low-income tracts and only 5 were made in the moderate-income tracts. The bank ranks 7th among 22 lenders with a market share of 6.52% of the number of multifamily loans made in the AA, which is comparable with the top lenders.

Small Business Loans

FNB-STL's geographic distribution of small business loans reflects an adequate distribution of lending to businesses in low- and moderate-income census tracts. Although the bank did not extend any small business loans in the low-income geographies, this is understandable when you consider less than one percent (0.16%) of the businesses in the assessment area are located in the low-income geographies. The bank performed better with regards to the moderate-income geographies. According to the business demographic data for the assessment area, less than 3% of the businesses are located in moderate-income geographies. However, the bank made almost 6% of their business loans in this area. FNB-STL's distribution of loans to businesses located in low- and moderate-income geographies exceeds the relative opportunity of only 3% of the businesses located in these geographies. This is indicative of the bank's commitment to meet their assessment area's business credit needs. FNB-STL ranks 18th of 129 lenders with a market share of 1.41%; however, the bank's market share in low- and moderate-income census tracts is only 0.98% and 0.93%, respectively.

Distribution of Loans by Income Level of the Borrower

The distribution of lending to borrowers of different income levels reflects an adequate level of lending among retail customers and business customers of different size. Fifty-four percent of the small business loans originated in the assessment area were to businesses with revenues of less than \$1 million. 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 adequate level of home purchase loans to individuals of different income levels. An analysis of the 202 home purchase originations during 1997 and 1998 shows the bank extended 4.2% of the number of home purchase loans to low-income borrowers and 10.3% to moderate-income borrowers. These percentages fall below the AA demographics for low- and moderate-income families. Based on 1998 updated HUD median

family income information, low- and moderate-income families represent 9.6% and 12.2% of the families in the assessment area, respectively. While the bank's percentage of home purchase loans made to low- and moderate-income borrowers does not mirror the make-up of the AA, it is important to note the limited availability of low cost housing. The median housing value of the AA is \$116,000. Growth is considered limited and is occurring in the middle- and upper-income areas of the AA. The AA has experienced little to no growth in the low- and moderate-income areas. Also, rental units equal 26% of the total housing units. The bank ranks 55th among 312 lenders with a market share of 0.39% of the number of home purchase loans made in the AA. The bank's market share of loans to upper-income borrowers (0.57%) exceeds that of low- (0.22%) and moderate-income borrowers (0.23%).

Home Improvement Loans

The distribution of lending to borrowers reflects an adequate level of home improvement loans to individuals of different income levels. An analysis of the 82 home improvement originations during 1997 and 1998 shows the bank extended 6.4% of the number of home improvement loans to low-income borrowers and 10.3% to moderate-income borrowers. These percentages fall below the AA demographics for low- and moderate-income families. Based on 1998 updated HUD median family income information, low- and moderate-income families represent 9.6% and 12.2% of all families in the assessment area, respectively. The bank ranks 15th among 107 lenders with a market share of 1.32% of the number of home improvement loans made in the AA. The bank has a similar market share of home improvement loans to low-income borrowers (1.60%) as it does to upper-income borrowers (1.98%). Market share for moderate-income borrowers (0.68%) is higher than it is for middle-income borrowers (0.25%).

Home Mortgage Refinance Loans

The distribution of lending to borrowers reflects an adequate level of home mortgage refinance loans to individuals of different income levels. An analysis of the 154 home mortgage refinance originations in 1997 and 1998 shows the bank extended 2.8% of the number of home mortgage refinance loans to low-income borrowers and 6.2% to moderate-income borrowers. These percentages fall below the AA demographics for low- and moderate-income families. Based on the updated HUD median family income information, low- and moderate-income families represent 9.6% and 12.2% of all families in the assessment area, respectively. The bank ranks 79th among 323 lenders with a market share of 0.29% of the number of home mortgage refinance loans made in the AA. The bank's market share of refinance loans to upper-income borrowers (0.43%) exceeds that of both low- (0.15%) and moderate-income borrowers (0.16%).

Small Business Loans

FNB-STL's lending levels for small business loans reflect adequate responsiveness to community credit needs. Fifty-four percent of the small business loans reported were made to

companies with annual revenues less than \$1 million. This performance compares favorably to the overall market in which 211 lenders reported only 45% of their business loans to businesses with revenues less than \$1 million. Although the bank is doing better than other lenders on a combined basis, opportunities to improve remain. Seventy-one percent (71%) of the businesses in the assessment area have revenues less than \$1 million.

FNB-STL'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 twenty-one percent of FNB-STL's loans were for original amounts between \$100,000 and \$250,000. Fourteen percent (14%) 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

FNB-STL made an adequate level of community development loans in view of the limited opportunities available in the AA. The bank's assessment area is primarily upscale suburbs to the west of the City of St. Louis. The bank's offices are all located in an area with little community development opportunity. FNB-STL originated one community development loan during this evaluation period. This loan of \$283,680 funded the purchase of a 10-unit rental housing project targeted to low- and moderate-income families.

Product Innovation and Flexibility

FNB-STL offers flexible lending products in order to serve its AA's credit needs. These products include several minimal or zero down payment mortgage programs through the secondary market as well as in-house products. FNB-STL's Combo Loans as described below offer customers the same advantage as some of the secondary market programs without the need for private mortgage insurance. The bank has also shown flexibility in making a significant volume of portfolio loans that fall outside of standard guidelines. Bank production numbers during this evaluation period are shown below.

- *Flexible 97 Mortgage Program (Flex 97)* - 6 loans - \$710,710

The Flex 97 product offers borrowers expanded flexibility with regard to the amount and source of down payment funds. This program is designed for borrowers of high credit quality that cannot afford the high costs associated with buying a home. It allows a loan-to-value ratio of 97% but requires private mortgage insurance. This affordable loan program does not require borrowers to meet the normal standards for minimum credit scores, minimum level of reserves, or maximum qualifying ratios. The bank has made

additional loans through this program with loan-to-values less than 97% but could only identify those made with a 97% loan-to-value.

- *FNB-STL Combo Loan Program* - 33 Loans - \$853,415

This is a 90% loan-to-value program offered by FNB-STL. FNB-STL will provide an in-house second mortgage loan for the down payment up to a 90% loan-to-value ratio. With the exception of the loan-to-value ratios, the borrower must meet FNMA or investor guidelines. The second mortgage is set up on a 15-year amortization. The payments on both loans combined are very similar to those of one single 90% loan-to-value first mortgage. However, the private mortgage insurance payments are avoided. The numbers above reflect only the 10-15% second mortgage portion of this loan program.

- *Regions Mortgage 100% Program* - No loans (Began May 1999)

This is a zero down payment program including closing costs up to a maximum of 103% loan-to-value. It applies to Regions Mortgage 3-year, 5-year, 7-year, and 10-year adjustable rate mortgage programs. The program requires the property to be a single-family owner-occupied dwelling and carry private mortgage insurance. The program also has a qualifying debt-to-income ratio limitation of 41% with no limits on income.

- *Cool Mortgage Program - 100% First* - No loans (New program)

This is another 100% loan-to-value program that does not require private mortgage insurance. The program has extended the maximum qualifying debt-to-income ratio to 45% but requires good credit history.

INVESTMENT TEST

The bank's performance under the Investment Test is rated "Low 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:

- FNB-STL originated an adequate level of community development investments based on its size, financial capacity and assessment area (AA) opportunities.
- During the evaluation period, FNB-STL made \$1,106,000 in qualified investments and donations, which benefited its assessment area. Information obtained from the Community Reinvestment and Development Specialists at the OCC and from the bank indicates that investment opportunities in the AA are limited.

The major investments are housing-related Mortgage-Backed Securities (MBS) and a participation in an equity fund. The bank also made smaller donations to various community groups and organizations that promote affordable housing or community development services to low- and moderate-income families in the St. Louis metropolitan area. Specific details of the qualified investments follow:

- FNB-STL made a \$979,000 investment in the Federal National Mortgage Association's Special CRA-targeted MBS for the benefit of low- and moderate-income homebuyers in the counties of St. Charles, St. Louis, and Warren. The loans backing the Special CRA-targeted MBS pool are to borrowers with incomes below 80 percent of the median family income for the St. Louis MSA.
- The other large investment is in the St. Louis Equity Fund (SLEF), Inc., a non-profit corporation. FNB-STL entered into a \$100,000 legally binding partnership investment in a 1999 low- and moderate-income housing development fund. The SLEF initiates and manages pooled equity investments in housing projects located in the City of St. Louis, St. Louis County and other counties within the Missouri portion of the St. Louis MSA. SLEF is in its 10th year and currently owns 1,328 units with approximately 400 single-family units. Each year a new housing development fund is opened. The target for 1999 is \$10 million. These housing projects qualify for federal low-income housing tax credits.
- FNB-STL made a \$14,850 donation to the Lutheran Family Children's Services targeted for the housing program for low- and moderate-income families in the City of St. Louis and St. Louis County. This program is funded through donations and is approved by the Missouri Housing Development Corporation under their Affordable Housing Program for low- and moderate-income families.
- FNB-STL also made a \$10,750 donation to the Grace Hill Neighborhood Services. This organization is sponsored by United Way and provides a broad range of neighborhood-based

programs for the benefit of low- and moderate-income individuals in the City of St. Louis and St. Louis County. The programs include training neighbors to help neighbors, shelter and housing placement for homeless and low-income families, self-help groups, child care, primary medical care, housing development and management counseling, and programs for older adults, youth and other direct services.

- The Homers for the Homeless campaign received a \$1,318 donation from FNB-STL. The campaign is sponsored by the Mortgage Bankers Association, which donates the monies to local homeless charity organizations. These groups provide funds and transitional housing for homeless individuals in the City of St. Louis and St. Louis County.

SERVICE TEST

The bank's performance under the Service Test is rated "Low Satisfactory." Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch and ATM delivery system.

Major Conclusions:

- FNB-STL's delivery systems are reasonably accessible to all geographies and individuals of different income levels in its AA. All bank facilities are located in upper-income tracts; however, only 3% of the population in the assessment area resides in the low- or moderate-income tracts.
- The bank provides an adequate level of community development services.

Retail Banking Services

FNB-STL's delivery systems are reasonably accessible to all geographies and individuals of different income levels in its AA. In addition to the main office, FNB-STL operates 7 full-service branch facilities and 9 automated teller machines (ATM's). The bank obtained three of these branch locations in the merger with The Colonial Bank. ATM's are located at each of the bank locations with two at the main bank. The bank also operates two off-premise non-cash deposit drop boxes. The bank has not closed any branches during this evaluation period. Although there are no bank locations in low- or moderate-income tracts, the branches provide reasonable access to residents of those few (7) tracts. Less than 1% of the AA's population is located in the two low-income tracts and only 2% is located in the five moderate-income tracts.

All bank locations provide full banking services. The bank offers numerous loan and deposit products. These include guaranteed mortgage and business loans as well as affordable housing programs, free checking accounts, free government check cashing for non-customers, and ATM and debit cards. ATM and debit cards can be used at any location having access to the Cirrus, Bankmate, or Maestro networks.

Branch hours offer reasonable access and convenience. Each location has drive-up facilities except for one. Lobby hours are from 8 or 9 a.m. to 5 p.m. Monday through Thursday with closing extended to 6 p.m. on Fridays. Drive-up hours are from 8 a.m. to 6 p.m. Saturday hours are generally 9 a.m. to 12 or 12:30 p.m.

FNB-STL offers an adequate level of alternative delivery systems used to expand the availability of retail bank services to all areas of the AA. The bank offers 24-hour telebanking to its customers which allows them to check balances, transfer funds, and make loan payments via the

telephone. FNB-STL also offers a computer cash management program, which allows small businesses to make payroll transactions, account transfers, loan payments, automated account reconciliations, ACH transactions, and wire transfers. The bank is currently testing a consumer Banking at Home program, which is expected to be available in the near future.

Community Development Services

FNB-STL has provided an adequate level of community development services in its assessment area. The following examples illustrate the services provided:

- *Alive*

This organization's primary purpose is to provide counseling, education, social services, and crisis intervention to women and their children who are victims of spousal abuse. They also provide short-term housing for battered women and children. While this organization is located in St. Louis City, it serves women and families in the entire St. Louis area. A bank employee serves as the Executive Director for this organization on all financial matters including budgeting, investment, internal control procedures and external audits.

- *Salvation Army*

This organization provides financial assistance and counseling to low- and moderate- income individuals. They also assist in providing moderate housing accommodations for those who are in need. A Senior Officer of FNB-STL serves as Director of the finance committee for this organization.

- *Lutheran Family and Children's Services*

This organization provides counseling, housing, foster care, and wellness programs for low-income individuals. A Senior Officer of the bank has volunteered in the capacity of Financial Ambassador and Board Member for this organization.

- *Catholic Charities*

Catholic Charities provides basic food and clothing for those in need. They also provide shelter to the homeless. Catholic Charities provides these services and many others independent from religious beliefs. A loan officer of the bank served as an Associate for this organization. He assisted in developing a budget for Catholic Charities and provided financial advice.

- *Boys & Girls Town*

Boys & Girls Town of Missouri provides a range of programs, services and facilities to troubled youth and their families. Additionally, they provide day care services to low- income families to ease the transition from welfare to work, therefore targeting low-income individuals. While this organization is located in the city, over 65% of their service population resides in the St. Louis Metropolitan area. A bank employee served as a member of the Finance Committee for this organization. He developed an annual budget and monitored monthly financial performance.

APPENDIX A: SCOPE OF EXAMINATION

The following table identifies the time period covered in this evaluation, 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”).

Time Period Reviewed	Lending Test: January 2, 1997 to December 31, 1998 Investment Test: January 2, 1997 to December 31, 1998 Service Test: January 2, 1997 to December 31, 1998		
Financial Institution	Products Reviewed		
First National Bank of St. Louis	HMDA Products Small Business Small Farm Community Development Lending		
Affiliate(s)	Affiliate relationship		Products reviewed
None			
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Exam	Branches Visited	Other Information
St. Louis MSA	Full-Scope	Two	Main Office - Clayton Branch - Des Peres

APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS

ST. LOUIS METROPOLITAN STATISTICAL AREA (MSA)

The table below details pertinent demographic data about families, businesses, and farms in the assessment area. The OCC utilized this data in evaluating the bank's CRA performance.

Demographic Information for Full-Scope Area: St. Louis Metropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	107	1.87%	4.67%	35.51%	57.94%	0%
Population by Geography	626,502	0.16%	2.21%	30.62%	67%	0%
Owner-Occupied Housing by Geography	174,597	0.07%	1.95%	29.19%	68.79%	0%
Businesses by Geography	25,882	0.16%	2.77%	33.10%	63.98%	0%
Farms by Geography	498	0%	1.60%	37.55%	60.84%	0%
Family Distribution by Income Level	170,341	9.57%	12.24%	21.72%	56.47%	0%
Distribution of Low- and Moderate- Income Families throughout AA Geographies	37,152	0.50%	5.48%	48.47%	45.55%	0%
Median Family Income = \$37,995			Median Housing Values = \$116,002			
HUD Adjusted Median Family Income for 1998 = \$51,000			Unemployment Rate= 2%			
Households below the Poverty level = 11,865 or 5.10%						

Source: 1990 U.S. Census and 1998 HUD updated MFI.

SUMMARY OF INSTITUTION'S OPERATIONS IN THE ST. LOUIS METROPOLITAN STATISTICAL AREA

The main office and six branches are located in St. Louis County and one branch is in St. Charles County. There are no FNB-STL branches located in Warren County. Each branch has an ATM on the premises with 2 at the main office. These are the only ATM's located in the assessment area. All branches are located in upper-income census tracts. There are two offices in Des Peres and one branch each in Clayton, Creve Coeur, O'Fallon, Chesterfield, Ladue, and Wildwood.

DESCRIPTION OF ST. LOUIS ASSESSMENT AREA

FNB-STL identifies its assessment area as the central corridor of St. Louis County, and all of St. Charles and Warren Counties. The Meramec River acts as a natural boundary on the south of the assessment area in St. Louis County. The individual communities included in the St. Louis County region are Ballwin, Brentwood, Chesterfield, Clayton, Creve Coeur, Des Peres, Frontenac, Kirkwood, Ladue, Maplewood, Olivette, Richmond Heights, University City, and Webster Groves. The branch communities are supported mainly by service, retail, construction, finance, insurance and real estate industries.

According to the 1990 Census, the total population in this area is 626,502. The assessment area contains a total of 107 census tracts that are all within the St. Louis MSA (#7040). Only 2 (2%) of the census tracts are designated as low-income tracts, 5 (5%) are moderate-income tracts, 38 (35%) are middle-income tracts, and 62 (58%) are upper-income tracts.

The majority of the families residing in the assessment area are upper-income. The total population of families is 170,341. Of this total population, 9.57% are low-income, 12.24% are moderate-income, 21.72% are middle-income, and 56.47% are upper-income. According to census data, 94.02% of all low- and moderate-income families reside in middle- and upper-income areas.

There are 247,528 housing units within the assessment area. Of this total, 70.54% of the housing units are owner occupied, 23.35% are rental occupied, and 6.12% are vacant. Owner-occupied housing is low (.07%) in the low-income census tracts. Only 439 of the housing units are located in the low-income census tracts. The median housing price was \$116,002. The median age of housing is 32 years old.

The total number of businesses located in the assessment area is 25,882. Each income tract has small businesses. Of the total, there are .16% which are located in low-income census tracts, 2.77% which are in moderate-income tracts, 33.10% which are in middle-income census tracts, and the majority (63.98%) are located in upper-income tracts. The unemployment rate is 2%.

Based on 1990 census information, there are a total of 498 farms in the assessment area; however, due to the changing demographics of the assessment area this number is probably much lower. There has been much growth over the last 10 years in the bank's assessment area, which includes the westward movement of many homeowners and businesses replacing farms. The census data indicates that none of the farms are in the low-income tracts. The majority of farms (60.84%) are located in upper-income tracts. Of the remaining farms, 37.55% are located in middle-income areas and 1.60% are situated in moderate-income tracts.

APPENDIX C: TABLES OF PERFORMANCE DATA

Content of Standardized Tables (Examiner Guidance Discussion)

The tables cover the entire CRA evaluation period. 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 Loan Originations - 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 Loan Originations - See Table 2.

Table 4. - Geographic Distribution of Home Mortgage Refinance Loan Originations - See Table 2.

Table 5. - Geographic Distribution of Small Business Loan Originations - The percentage distribution of the number of small loans (<\$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 Farm Loan Originations - The percentage distribution of the number of small loans (<\$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 Loan Originations - 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 Loan Originations - See Table 7.

Table 9. - Borrower Distribution of Home Mortgage Refinance Loan Originations - See Table 7.

Table 10. - Borrower Distribution of Small Business Loan Originations - Compares the percentage distribution of the number of small loans (<\$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 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 Farm Loan Originations - Compares the percentage distribution of the number of small loans (<\$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 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.

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

Table 14. - Geographic and Borrower Distribution of Consumer Loan Originations - 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.

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Table 1. Lending Volume

LENDING VOLUME State: Missouri Evaluation Period: January 2, 1997 to December 31, 1998												
MSA/AA	% of Total bank Deposits in Rated Area	Home Mortgage		Small Business		Small Farms		Community Development		Total Reported Loans		% of Total reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Scope:												
St. Louis AA	100%	450	78,331	341	43,879	1	3	1	284	793	122,497	100%
Limited Scope:												

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Table 6. Geographic Distribution of Small Farm Loan Originations

Geographic Distribution: SMALL FARM State: Missouri Evaluation Period: January 2, 1997 to December 31, 1998																
MSA/AA	Low Income Geographies		Moderate Income Geographies		Middle Income Geographies		Upper Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
St. Louis AA	0%	0%	1.60%	0%	37.55%	0%	60.84%	100%	0	0	0	0	0	0	1	100%
Limited Scope:																

(*) Based on 1997 Aggregate Small Farm Data only.

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Table 9. Borrower Distribution of Home Mortgage Refinance Loan Originations

Borrower Distribution: HOME MORTGAGE REFINANCE State: Missouri Evaluation Period: January 2, 1997 to December 31, 1998																
MSA/AA	Low Income Borrowers		Moderate Income Borrowers		Middle Income Borrowers		Upper Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upper	#	% of Total
Full Scope:																
St. Louis AA	9.57%	2.76%	12.24%	6.21%	21.72%	14.48%	56.47%	76.55%	79	.29	.15	.16	.17	.43	154	100%
Limited Scope:																

(*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated by BANK.

(**) Based on 1997 Aggregate HMDA Data only.

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Table 10. Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS State: Missouri Evaluation Period: January 2, 1997 to December 31, 1998

MSA/AA	Business with Revenues of \$1 million or less			Loans by Original Amount regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	>\$100,00 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full Scope:											
St. Louis AA	70.98%	53.67%	44.96%	65.10	20.82	14.08	1.41	2.19	341	100%	159
Limited Scope:											

(*) As a percentage of businesses with known revenues.
 (**) As a percentage of loans with revenue information available. No information was available for XX% of loans originated by BANK.
 (***) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.
 (****) Based on 1997 Aggregate Small Business Data only.

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Table 11. Borrower Distribution of Small Farm Loan Originations

QUALIFIED INVESTMENTS State: Missouri Evaluation Period: January 2, 1997 to December 31, 1998

MSA/AA	Prior Period Investments*			Current Period Investments			Total Investments		
	#	\$ (000's)	%**	#	\$ (000's)	%**	#	\$ (000's)	% of Total \$'s
Full Scope:									
St. Louis AA	0	0	0	2	1,078,832	100%	2	1,078,832	100%
Limited Scope:									

(*) "Prior Period Investments" means investments made in a previous evaluation period that remain outstanding.
 (**) Percentage of the dollars invested in that MSA/Assessment Area that are prior period investments or current period investments.

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Table 13. Distribution of Branch and ATM Delivery System

