



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 18, 1997

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Magna Bank, N.A.
Charter Number 23001
1401 South Brentwood Boulevard
Brentwood, Missouri 63144**

**Supervisory Agency: Office of the Comptroller of the Currency
Central District
One Financial Place
440 South LaSalle Street, Suite 2700
Chicago, IL 60605-1073**

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| <p>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.</p> |
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GLOSSARY OF TERMS AND COMMON ABBREVIATIONS

The following terms and abbreviations are used throughout this Performance Evaluation.

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 MSA. A rural assessment area may contain one or more neighboring counties.

Block Numbering Area (BNA) or 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.

Community Development Purpose - A community development purpose is defined per 12 C.F.R. 25.12(h) as affordable housing (including multi-family rental housing) for low- and moderate-income (LMI) individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet size eligibility standards of 13 C.F.R. 121.802(a)(2) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies.

Community Reinvestment Act (CRA) - A statute that requires federal regulators to evaluate a financial institution's record of meeting community credit needs in the institution's local community. *(This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2901, as amended, and 12 C.F.R. 25, as amended.)*

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in MSAs to file annual summary reports of their lending activity. The reports include such data as the race, gender, and income of the applicant(s), the amount of loan requested and its disposition (e.g., made, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase loans, home improvement loans, refinancing of home purchase and home improvement loans, and loans for the purchase of multi-family (5 or more units) dwellings. *(This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2801, as amended, and 12 C.F.R. 203, as amended.)*

Income Levels - These relate to individuals, families, the CTs in an MSA or BNAs in non-MSA areas.

Low = An income level that is less than 50 percent of the median income.

Moderate = An income level that is at least 50 percent and less than 80 percent of the median income.

LMI = An income level that is less than 80 percent of the median income.

Middle = An income level that is at least 80 percent and less than 120 percent of the median income.

Upper = An income level that is 120 percent or more of the median income.

Magna - Magna Bank, N.A., St. Louis, Missouri.

Magna Group Inc. - Magna Group Inc. is the parent company of Magna.

Median Family Income - The median family income for a specific MSA as determined by the United States Census Bureau. The Department of Housing and Urban Development updates this figure annually using an estimated inflation factor.

Metropolitan Statistical Area (MSA) - An area containing a city with a population of at least 50,000 or an urbanized area with a population of at least 50,000 and a total metropolitan population of at least 100,000. Generally, MSAs consist of one or more whole counties that have a high degree of interaction.

Small Business or Small Farm - A business or farm that has \$1 million or less in gross annual revenues.

Small Loan to a Business or Farm - A loan of \$1 million or less to a business of any size or a loan of \$500,000 or less to a farm of any size.

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 CRA performance of **Magna Bank, N.A., St. Louis, Missouri (Magna)**, prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of July 18, 1997. 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 C.F.R. Part 25.

Institution's CRA Rating: This institution is rated **"Satisfactory Record of Meeting Community Credit Needs."**

The following table indicates the performance level of **Magna** with respect to the lending, investment and service tests.

| Performance Levels | Magna Bank, N.A. Performance Tests | | |
|---------------------------|---------------------------------------|-----------------|--------------|
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | | |
| High Satisfactory | X | | X |
| Low Satisfactory | | 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.

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We rated Magna's CRA performance "Satisfactory" because:

- Magna's lending levels reflect excellent responsiveness to the credit needs of the bank's defined assessment areas (AA). Magna's lending performance demonstrates good penetration both in geographies and to borrowers of differing income levels, especially those designated low- and moderate-income (LMI). This is particularly true for the bank's consumer and HMDA reportable lending efforts, which comprise the majority of the bank's lending efforts we reviewed during this evaluation period.
- Magna has demonstrated excellent responsiveness to the need for small loans by businesses in its AA. During 1996, Magna originated 90% of its small business loans in amounts of \$250,000 or less, and 79% in amounts of \$100,000 or less.
- Magna has originated a good volume of community development loans, particularly in the St. Louis MSA. During the evaluation period, Magna originated in excess of \$26 million in qualifying community development loans.
- Magna originates the substantial majority of its loans within its AA. In 1996, Magna originated 85% of the number and 89% of the dollar volume of loans we reviewed within the bank's AA.
- Magna's delivery systems ensure reasonable accessibility of the bank's services to all portions of its AA.
- Magna provides a high level of community development service to its AA through representation in various community development organizations and community leadership.

DESCRIPTION OF INSTITUTION

Magna, headquartered in St. Louis, Missouri, had total assets of \$5.4 billion as of December 31, 1996. It is a wholly-owned subsidiary of Magna Group Inc. located in St. Louis, Missouri. Magna has operations in Illinois and the St. Louis, MO-IL multi-state MSA (St. Louis MSA). It serves its AA with a network of 107 branches, 107 automated-teller machines (ATMs), and 2 automated-loan machines (ALMs). We did not note any impediments to Magna's ability to help meet the credit needs of its AA.

Magna focuses its lending efforts on retail consumers and small to mid-sized businesses. This is exemplified in the composition of the bank's loan portfolio. As of December 31, 1996, Magna's \$3.4 billion loan portfolio consisted of the following types of credit: 36% commercial real estate, 28% 1-4 family residential, 20% commercial and agricultural, 15% consumer, and 1% other loans.

The following chart shows the demographic makeup of the bank's AA in terms of geographies and income level of families. The Department of Housing and Urban Development (HUD) estimates the median family income for the AA to be \$47,897 for 1997.

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Demographic Information

| Income Level | BNAs/Census Tracts | | Families Designated | |
|-----------------|--------------------|-------------|---------------------|-------------|
| | # | % | # | % |
| Low-Income | 76 | 11% | 169,626 | 19% |
| Moderate-Income | 137 | 19% | 153,828 | 18% |
| Middle-Income | 341 | 49% | 213,936 | 24% |
| Upper-Income | 137 | 20% | 338,559 | 39% |
| N/A | 10 | 1% | 0 | 0% |
| Total | 701 | 100% | 875,949 | 100% |

The above demographic information includes 74,049 families (8% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

SCOPE OF EXAMINATION

We based our conclusions on a review of the bank's 1995 and 1996 CRA efforts, with an emphasis on the bank's 1996 performance. We did not base our conclusions on 1997 data due to the March 1997 purchase of Homeland Bankshares Corporation of Iowa which would convolute comparison data and due to the fact that 1997 HMDA data comparisons could not be readily made. We will include data from the first half of 1997 in our next CRA evaluation. The ratings assigned to the bank as a whole are a combination of the ratings we assigned to the St. Louis MSA and the State of Illinois, which are detailed in separate sections of this Evaluation. Since approximately 68% of the bank's lending performance occurs in the St. Louis MSA, and 71% of the population served by the bank is in the St. Louis MSA, we put more weight on the bank's performance in the St. Louis MSA in assigning the overall rating to the bank. In addition to rating the State of Illinois and the St. Louis MSA, we are required to conclude on the other MSAs where the bank has operations. Our conclusions regarding the bank's performance in these areas - Bloomington-Normal, Decatur, Peoria-Pekin, and Springfield, IL MSAs are detailed in the Appendix of this Evaluation. The Appendix also contains our conclusions regarding the bank's performance in its non-MSA segments of Illinois the bank serves. In developing our conclusions, we placed greater emphasis on the number of loans originated in LMI areas and on lending to LMI individuals.

The following chart shows the breakdown of loan products we reviewed between the St. Louis MSA and the State of Illinois for 1995 and 1996, along with totals for the bank. During 1995, the bank was not required to maintain data on its small business lending efforts. In addition, the bank did not need to maintain HMDA information for its mortgage lending efforts in the non-MSA segments of its Illinois AA. As a result, we did not include these products in our analysis of the bank's 1995 lending efforts. The data included in the table are percentages of the bank's total number and dollar of loan originations by respective loan type.

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Distribution of Loan Products Reviewed

| Product | St. Louis MSA | | | | State of Illinois | | | | Total Bank | | | |
|-----------------------------|---------------|-----|---------|-----|-------------------|-----|---------|-----|------------|------|---------|------|
| | # | % | \$ 000s | % | # | % | \$ 000s | % | # | % | \$ 000s | % |
| 1996 | | | | | | | | | | | | |
| Consumer Loans | 15,856 | 70% | 223,499 | 73% | 6,865 | 30% | 83,058 | 27% | 22,721 | 100% | 306,557 | 100% |
| Small Business Loans | 2,469 | 60% | 248,061 | 65% | 1,661 | 40% | 133,825 | 35% | 4,130 | 100% | 381,886 | 100% |
| Mortgage Loans | 2,319 | 66% | 144,326 | 70% | 1,210 | 34% | 60,676 | 30% | 3,529 | 100% | 205,002 | 100% |
| Total | 20,644 | 68% | 615,886 | 69% | 9,736 | 32% | 277,559 | 31% | 30,380 | 100% | 893,445 | 100% |
| 1995 | | | | | | | | | | | | |
| Consumer Loans | 13,866 | 69% | 152,807 | 72% | 6,354 | 31% | 58,662 | 28% | 20,220 | 100% | 211,469 | 100% |
| Mortgage Loans | 2,094 | 78% | 114,387 | 74% | 607 | 22% | 40,172 | 26% | 2,701 | 100% | 154,559 | 100% |
| Total | 15,960 | 70% | 267,194 | 73% | 6,961 | 30% | 98,834 | 27% | 22,921 | 100% | 366,028 | 100% |

We also reviewed the small farm loans the bank reported for 1996. Agricultural loans represent 1% of the bank's total loan portfolio, and the bank reported 476 small farm loan originations totaling \$25 million in 1996. Given the limited nature of these lending efforts, we have not included a discussion in this Evaluation. The findings of our review were consistent with our overall conclusions regarding Magna's lending efforts.

As of December 31, 1996, Magna had total deposits of approximately \$4.3 billion. Of this, 75% came from within the St. Louis MSA. The bank's loan to deposit ratio was 79.4%.

Common credit needs identified throughout the bank's AA include home purchase loans (particularly loans for first time home buyers and LMI borrowers), home improvement loans, and small business loans, including start-up, working capital, and micro loans (loans < \$2,500). We based these findings on a review of contacts made with 39 community groups and organizations. Of these, 7 organizations had social service, 12 housing, 17 economic development, and 3 business development as their primary purpose.

Magna operates in a very competitive banking environment. Magna's competition comes from numerous financial institutions ranging in size from large, multi-state banking companies (such as Nationsbank, Banc One, and Mercantile, for example) in the MSA segments of the AA to small, locally owned institutions in the non-MSA segments.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Magna's lending levels reflect excellent responsiveness to the identified credit needs. Magna has originated a strong volume of consumer, small business and HMDA reportable loans in the bank's AA. The distribution of these products, both in terms of geography and borrower income levels, is good. Magna has also done an excellent job of meeting the need for small business loans. The following discussion provides conclusions regarding the bank's lending performance in each of the loan categories we reviewed.

Consumer Lending

Magna's origination of consumer loans demonstrates excellent responsiveness to the AA's need for consumer loans. Consumer loans tracked by Magna include loans to one or more individuals for household, family, or other personal expenditures. These consist mainly of motor vehicle, home equity, and other secured and unsecured consumer loans.

As detailed in the following tables, the percentage of Magna's loans originated to LMI individuals significantly exceeds the percentage of families designated as LMI. The bank's distribution of consumer loans by geography shows adequate penetration in all geographies, but the bank's percentage of loans in LMI geographies is lower than the percent of families living in these areas. During 1995, the bank was only tracking its consumer lending efforts by geography and did so by only tracking three categories. As a result, the 1995 figures for the bank's distribution in LMI geographies are combined and the distribution by income level of the borrower is unavailable for 1995.

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Consumer Loan Distribution by Applicant Income

| Income Level of Applicant | % of Families Designated | 1996 | | | |
|---------------------------|--------------------------|--------|------|---------|------|
| | | # | % | \$ 000s | % |
| Low | * 11% | 4,076 | 18% | 33,490 | 11% |
| Moderate | 18% | 5,257 | 23% | 56,322 | 18% |
| Middle | 24% | 5,471 | 24% | 68,500 | 22% |
| Upper | 39% | 6,963 | 31% | 121,350 | 40% |
| N/A | 0% | 954 | 4% | 26,895 | 9% |
| Total | * 92% | 22,721 | 100% | 306,557 | 100% |

* Number reduced by 8%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Consumer Loan Distribution by Census Tract

| Income Level of BNA/CT | % of Families Living in CT/BNA | 1995 | | | | 1996 | | | |
|------------------------|--------------------------------|--------|------|---------|------|--------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 5% | 3,050 | 15% | 30,498 | 15% | 426 | 2% | 4,924 | 2% |
| Moderate | 15% | | | | | 2,655 | 12% | 34,031 | 11% |
| Middle | 53% | 12,361 | 61 % | 124,314 | 59% | 13,999 | 62% | 177,718 | 58% |
| Upper | 27% | 4,809 | 24 % | 55,657 | 26% | 5,641 | 25% | 89,884 | 29% |
| Total | 100% | 20,220 | 100% | 210,469 | 100% | 22,721 | 100% | 306,557 | 100% |

Magna's geographic distribution of consumer loans in the St. Louis MSA and the State of Illinois is consistent with the overall distribution of the bank. Magna originated 19% and 24% of its consumer loans to low-income and moderate-income borrowers in the St. Louis MSA, respectively. In the Illinois AA, the respective figures are 16% and 21%. Magna originated 11% and 14% of its consumer loans in moderate-income geographies in the St. Louis MSA and Illinois AA, respectively. In both areas, the bank originated 2% of its consumer loans in low-income geographies.

Small Business Lending

Magna demonstrated responsiveness to the need for small business loans by originating a significant volume of small business loans. Magna originated 4,130 loans totaling \$382 million to small businesses in 1996. This represents 13% of the number and 16% of the dollars lent to small businesses that were reported for the overall market. Please be reminded that not all lenders are required to report their small business lending efforts. Only those lenders that have total assets greater than \$250 million, or are owned by a bank holding company with assets of \$1 billion or more, are required to report their lending efforts.

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As demonstrated in the following table, the bank's distribution of small business loans across the various geographies shows good penetration in all areas. The bank's distribution approximates both the percentage of small businesses located in LMI geographies and the market's distribution.

Total Small Business Loans - 1996

| Income Level of BNA/CT | % of Businesses | Number of Loans | | | Dollar Volume | | |
|------------------------|-----------------|-----------------|--------|-------|---------------|--------|-------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 6% | 220 | 5% | 5% | 18,809 | 5% | 5% |
| Moderate | 15% | 587 | 14% | 13% | 52,071 | 13% | 11% |
| Middle | 51% | 2,408 | 59% | 51% | 193,553 | 51% | 47% |
| Upper | 28% | 904 | 22% | 31% | 116,667 | 31% | 37% |
| N/A | 0% | 11 | <1% | <1% | 786 | <1% | <1% |
| Total | 100% | 4,130 | 100% | 100% | 381,886 | 100% | 100% |

In the St. Louis MSA, Magna originated 3% of its loans in low-income and 13% in moderate-income geographies. Magna originated 9% in low-income and 14% in moderate-income geographies in the Illinois AA. Based on the number of loans originated in 1996, the geographic distribution in the St. Louis MSA and the State of Illinois is consistent with the overall bank distribution by borrower noted above.

Magna makes a significant majority of its loans to small businesses in amounts of \$250,000 or less. Magna originated 90% of the number of its small business loans in amounts of \$250,000 or less, and 79% in amounts of \$100,000 or less in 1996. Consistent with the above, Magna originated 89% and 92% of its loans in amounts of \$250,000 or less in the St. Louis MSA and Illinois AA, respectively. This demonstrates excellent responsiveness to the need for small loans to businesses in the bank's AA.

Magna's distribution of small business loans based on revenue size of the business shows adequate penetration to businesses of various revenue sizes. During 1996, Magna originated 1,989 loans totaling \$150 million to businesses with revenues of \$1 million or less. The percentage of Magna's loans made to businesses with revenues of \$1 million or less (48%) is significantly less than the percentage of businesses with revenues of \$1 million or less (71%) in the bank's AA. But the bank's percentage approximates the market's percent of loans to businesses with revenues of \$1 million or less (52%). Magna originated a larger percentage of loans to businesses with revenues of \$1 million or less in the St. Louis MSA than it did in the State of Illinois. During 1996, Magna originated 53% of its small business loans to businesses with revenues of \$1 million or less in the St. Louis MSA, compared to 41% in the Illinois AA.

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Mortgage-Related Lending (HMDA)

Magna's origination of HMDA reportable loans during 1995 and 1996 demonstrates good responsiveness to the AA's need for this type of credit. The following table displays the bank's number and dollar amount of HMDA reportable loan originations and purchases in 1995 and 1996.

HMDA Originations

| Loan Type | 1995 | | | | 1996 | | | |
|----------------------------|--------------|-------------|----------------|-------------|--------------|-------------|----------------|-------------|
| | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Government Home Purchase | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Conventional Home Purchase | 1,452 | 52% | 101,698 | 63% | 1,450 | 41% | 104,940 | 51% |
| Refinance | 585 | 21% | 43,451 | 27% | 1,005 | 28% | 67,318 | 33% |
| Home Improvement | 682 | 25% | 4,849 | 3% | 1,012 | 29% | 14,644 | 7% |
| Multi-Family | 60 | 2% | 11,817 | 7% | 62 | 2% | 18,100 | 9% |
| Total | 2,779 | 100% | 161,815 | 100% | 3,529 | 100% | 205,002 | 100% |

In terms of the number of loans originated, Magna's HMDA lending efforts display excellent penetration in all areas of the AA. Magna's distribution either equaled or exceeded the percentage of owner-occupied housing units (OOH) located in LMI geographies. Magna also exceeded the market's distribution of loans to LMI areas both in terms of number and dollar volume. This is detailed in the following chart.

Geographic Distribution of HMDA Loans by Number of Loans

| Income Level of BNA/CT | % of Owner-Occupied Housing Units | 1995 | | | 1996 | | |
|------------------------|-----------------------------------|--------------|-------------|-------------|--------------|-------------|-------------|
| | | # | Bank % | MKT | # | Bank % | MKT |
| Low | 3% | 115 | 4% | 2% | 119 | 3% | 2% |
| Moderate | 13% | 508 | 18% | 11% | 581 | 17% | 11% |
| Middle | 56% | 1,608 | 58% | 53% | 2,152 | 61% | 52% |
| Upper | 28% | 548 | 20% | 34% | 677 | 19% | 35% |
| Total | 100% | 2,779 | 100% | 100% | 3,529 | 100% | 100% |

The geographic distribution in the St. Louis MSA and the State of Illinois is consistent with the overall bank distribution by geography based on number of loans for 1996. In the St. Louis MSA, Magna originated 3% of its loans to low-income and 16% to moderate-income geographies. In the Illinois AA, Magna originated 5% to low-income and 18% to moderate-income geographies.

Magna's distribution of HMDA reportable loans to borrowers of different income levels also demonstrates

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excellent penetration to borrowers of all income levels. The bank's distribution to LMI individuals exceeds both the market and demographic figures. This is detailed in the following chart.

Borrower Distribution of HMDA Loans by Number of Loans

| Income Level of Borrower | % of Families | 1995 | | | 1996 | | |
|--------------------------|---------------|-------|--------|------|-------|--------|------|
| | | # | Bank % | MKT | # | Bank % | MKT |
| Low | * 11% | 384 | 14% | 10% | 492 | 14% | 10% |
| Moderate | 18% | 565 | 20% | 20% | 685 | 19% | 19% |
| Middle | 24% | 684 | 25% | 26% | 816 | 23% | 26% |
| Upper | 39% | 957 | 34% | 34% | 1,232 | 35% | 33% |
| N/A | 0% | 189 | 7% | 10% | 304 | 9% | 12% |
| Total | * 92% | 2,779 | 100% | 100% | 3,529 | 100% | 100% |

* Number reduced by 8%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

The distribution in the St. Louis MSA and the State of Illinois is consistent with the overall bank distribution by borrower, based on the number of loan originations for 1996. Magna originated 16% of its loans to low-income and 20% to moderate-income borrowers in the St. Louis MSA, while it originated 11% to low-income and 19% to moderate-income borrowers in the Illinois AA.

Magna makes mortgage-related loans in a significant majority of the geographies contained in its AA. During 1996, Magna originated HMDA reportable loans in 620 of the 701 geographies (88%) contained in the bank's AA. We considered this to be reasonable given the large number of geographies contained in the bank's overall AA.

Originations Within the Assessment Area

As detailed in the following table, Magna makes the significant majority of its loans within its designated AA. In 1996, the bank originated 85% of the number and 89% of the dollar volume of its loans within its combined AA. The percent of consumer, mortgage-related, small business and small farm loans originated within the AA is consistent with the overall percentage of loans originated within the AA.

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Loans Made In The Assessment Area as a Percentage of Total Loans by Product Reviewed - 1996 Originations

| | Consumer Loans | Mortgage Loans | Small Business Loans | Total |
|----------------------|---------------------------|---------------------------|---------------------------------|--------------|
| Total # | 27,593 | 3,697 | 4,130 | 35,420 |
| Total \$ 000s | \$375,820 | \$214,513 | \$381,886 | \$972,219 |
| # In | 22,721 | 3,529 | 3,863 | 30,113 |
| % In (by #) | 82% | 95% | 94% | 85% |
| \$ 000s In | \$306,557 | \$205,002 | \$351,114 | \$862,673 |
| % In (by \$) | 82% | 96% | 92% | 89% |

Community Development Lending

Magna originated a good volume of community development loans in relation to its resources and available opportunities. We identified \$26 million of qualifying community development loans that Magna originated during the evaluation period. To be considered a community development loan, the loan must meet the definition in the revised CRA regulation. This definition states that such a loan must have as its primary purpose community development. Community development loans specifically exclude loans which have been reported as HMDA or small business loans, except for multi-family rental housing loans which can be reported under both categories. Please refer to the multi-state MSA section of this Evaluation for examples of community development loans made by Magna.

Flexible Products

Magna's loan products are well-suited to the credit needs of its AA. Although not considered to be innovative, the bank does offer several products that are considered to be flexible in nature. The following are products offered throughout all of Magna's AA which demonstrate flexible criteria.

- Magna's Opportunity Plus mortgage loan product offers prospective home buyers flexibility through reduced down payment amounts and no requirement for mortgage insurance. This product is targeted to LMI geographies and to LMI borrowers. The product requires a 5% down payment, of which the borrower must contribute 3%, or \$1,000, whichever is greatest. The remaining 2% can come from gifts, government grants, or unsecured loans. Customer debt-to-income ratios are limited to 40%. This figure is in excess of the limits contained in conventional mortgage loan products. The product contains a variable rate of interest that is fixed for three-year intervals.
- The bank's Opportunity Plus CRA Home Improvement Loan product is a home improvement product targeted to LMI applicants and to LMI areas. This product contains a fixed rate of interest at 4% below current market rates and allows for debt-to-income ratios to approach 40%.

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- Magna offers the Community Home Buyers Program in conjunction with the Federal National Mortgage Association (FNMA). The 5% down payment requirement, with 3% required to come from the borrower, and 40% debt-to-income limit are similar to the Opportunity Plus mortgage program noted above. This product is also targeted towards LMI individuals and targeted areas.
- Magna offers a secured credit card to meet the credit needs of individuals that have yet to establish a sufficient credit history, or those attempting to re-establish credit.
- Magna is also an active lender in federally sponsored small business lending programs offered by the Small Business Administration (SBA). Programs include the “LowDoc” Loan, 7(a) General Loan, 504 Development Company Loan, and Women’s Pre-Qualification Pilot Loan Programs. These programs all provide small business loans with flexible criteria.

In addition to the above, the bank also participates in local loan programs in the bank’s various AA. Please refer to details provided in the State of Illinois and St. Louis MSA section for further detail on these programs.

INVESTMENT TEST

Magna has provided an adequate level of qualified community development grants and investments. During the evaluation period, the bank’s investment volume totaled \$3.5 million. To qualify for consideration under the community development test, an investment must take the form of an investment security, deposit, membership share, grant or charitable donation that has as its primary purpose community development.

Magna’s portfolio of qualified community development investments includes one municipal bond, participation in several equity fund partnerships or corporations, and investments in locally based community development corporations. Additionally, the bank made financial contributions to community groups and organizations that provide housing and other community development services to LMI families in the St. Louis MSA.

Of the \$3.5 million in total qualifying investments, Magna has invested \$2.75 million in its Illinois AA and \$790,690 in the St. Louis MSA. Please refer to the State of Illinois and St. Louis MSA sections of this Evaluation for detail regarding these specific investments.

SERVICE TEST

Magna’s office locations are reasonably accessible to all areas of the AA. In total, Magna serves its combined AA through a network of 107 branches, 107 automated-teller machines (ATMs), and 2 automated-loan machines (ALMs). The percent of Magna’s branches in low-income geographies is less than the demographics of the AA, both in terms of distribution of census tracts (CTs) and families living in the respective tracts. Several of the bank’s branches in moderate- and middle-income CTs, however, are accessible to the low-income areas. The distribution of Magna’s offices and ATMs, in relation to both the percent of geographies within the various income categories and the percent of families living in the various income categories, is as follows:

Branch and ATM Distribution

| Census Tract/BNA Designation | # Branches | % | # ATMs | % | % of Geographies | % of Families Living in Geography |
|------------------------------|------------|------|--------|------|------------------|-----------------------------------|
| Low-Income | 2 | 2% | 1 | 1% | 11% | 5% |
| Moderate-Income | 17 | 16% | 16 | 15% | 19% | 15% |
| Middle-Income | 61 | 57% | 65 | 61% | 49% | 53% |
| Upper-Income | 27 | 25% | 25 | 23% | 20% | 27% |
| Total | 107 | 100% | 107 | 100% | * 100% | 100% |

** 1% of geographies are N/A.*

The distribution of the bank’s branches and ATMs within the St. Louis MSA and the State of Illinois is consistent with the above noted conclusions. In the St. Louis MSA, 1% of both branches and ATMs are located in low-income geographies, and 12% of branches and 11% of ATMs are located in moderate-income geographies. In the Illinois AA, 3% of branches are located in low-income geographies, with 25% of branches and 32% of ATMs located in moderate-income geographies. Magna does not have an ATM located in a low-income geography in the Illinois AA.

Magna uses a diverse and innovative alternative delivery system to ensure all persons within its assessment area have access to its products and services. The bank’s alternative delivery system includes a 24 hour bank-by-phone service and two automated-loan machines (ALMs). The ALMs are housed in high traffic areas and represent a new and innovative method for reaching potential loan applicants. Applicants can apply for unsecured loans of up to \$7,500 by inserting a Visa, MasterCard or American Express credit card into the ALM. Introduction of the ALMs in 1996 demonstrates management’s willingness to use innovative and unconventional tools to originate credit within its AA.

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The bank's operating hours are reasonable and do not vary significantly among the different branches. Magna did not close any branch office during this review period. Magna did, however, consolidate four branches into other existing branches during the evaluation period. This did not have a material impact on accessibility to the community since the consolidated offices were in close proximity to each other. All branches are staffed with Customer Service Specialists and offer a wide variety of banking services to customers.

Management also provides a high level of community development service to its communities through representation in various community development organizations and community leadership. Please refer to the discussion associated with both the Service Test Rating for the St. Louis MSA and the Service Test Rating for the State of Illinois for additional detail.

FAIR LENDING REVIEW

Magna is in compliance with anti-discrimination laws and regulations. We did not identify any violations of substantive provisions of applicable laws and regulations during our fair lending review conducted in conjunction with this Evaluation.

MULTI-STATE METROPOLITAN STATISTICAL AREA # 7040 ST. LOUIS, MO-IL

CRA Rating for St. Louis, MO-IL Multi-State MSA: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

In summary, we assigned the above ratings because:

- Magna's lending levels reflect excellent responsiveness to the credit needs of the AA. The distribution of the bank's lending efforts demonstrates good penetration both in geographies and to borrowers of differing income levels, especially those designated LMI.
- Magna originated a good volume of community development loans within the MSA through the origination of \$26 million in qualifying loans.
- Magna's origination of small business loans demonstrates excellent responsiveness to the need for small loans by businesses. During 1996, Magna originated 89% of its small business loans in amounts of \$250,000 or less.
- Magna's delivery systems ensure reasonable accessibility of the bank's services to all portions of its AA.
- Magna provides a high level of community development service to its AA through representation in various community development organizations and community leadership.

Description of Institution's Operations in the MSA

Magna has defined its St. Louis AA to be a portion of the St. Louis MSA. Magna has included Jefferson, St. Charles and St. Louis Counties and the City of St. Louis in Missouri, and Clinton, Madison, Monroe and St. Clair Counties in Illinois in its AA. The bank's AA excludes Crawford, Franklin, Lincoln and Warren Counties in Missouri and Jersey County in Illinois. Magna does not have any branches in these areas. The bank's assessment area has a total population of approximately 2.3 million, which represents 71% of the population of the entire MSA and 72% of the total population served by the bank. The bank's delineation includes 100% of the low-, 93% of the moderate-, 93% of the middle-, and 100% of the upper-income CTs. The bank's AA excludes 7 moderate-income and 16 middle-income CTs. The bank's AA contains 95% of the total number of CTs in the MSA. HUD's estimated 1997 median family income for the MSA is \$49,300. The following chart summarizes the distribution of census tracts and families within the AA.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Demographic Information

| Income Level | Census Tracts | | Families Designated | |
|-----------------|---------------|-------------|---------------------|-------------|
| | # | % | # | % |
| Low-Income | 56 | 13% | 119,079 | 19% |
| Moderate-Income | 90 | 20% | 108,284 | 17% |
| Middle-Income | 200 | 45% | 152,171 | 25% |
| Upper-Income | 92 | 21% | 242,874 | 39% |
| N/A | 6 | 1% | 0 | 0% |
| Total | 444 | 100% | 622,408 | 100% |

The above demographic information includes 51,070 families (8% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, approximately \$3.5 billion of the bank's deposits, or 75%, originated in this MSA. The bank serves the MSA with a network of 75 branches, 85 ATMs, and 1 ALM. This represents 70% of Magna's branches, 79% of ATMs, and 50% of ALMs.

CONCLUSIONS REGARDING PERFORMANCE TESTS IN MSA

LENDING TEST

The bank's lending within the AA demonstrates excellent responsiveness to the credit needs of the MSA. Magna has originated a significant volume of consumer, small business, and HMDA reportable loans within the AA. The distribution of these loans across the various geographies and to borrowers of different income levels is good.

Consumer Lending

During 1995 and 1996, Magna showed excellent responsiveness to the consumer credit needs of the AA by originating a significant volume of consumer loans. Magna's penetration to borrowers of different income levels is excellent, with the bank's percentage of loans to LMI borrowers significantly exceeding the bankable percentage of LMI families within the AA. The bank's distribution by geography shows adequate penetration in all areas of the AA. The data shows the bank making a smaller percentage of its loans in LMI tracts than the percent of families living in those tracts.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|--------|------|---------|------|
| | | # | % | \$ 000s | % |
| Low | * 11% | 2,967 | 19% | 25,152 | 11% |
| Moderate | 17% | 3,813 | 24% | 41,806 | 19% |
| Middle | 25% | 3,784 | 24% | 48,705 | 22% |
| Upper | 39% | 4,712 | 30% | 87,324 | 39% |
| N/A | 0% | 580 | 3% | 20,512 | 9% |
| Total | * 92% | 15,856 | 100% | 223,499 | 100% |

* Number reduced by 8%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Consumer Loans by Geography

| Income Level of CT | % of Families Living in CT | 1995 | | | | 1996 | | | |
|--------------------|----------------------------|--------|------|---------|------|--------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 6% | 1,926 | 14% | 21,497 | 14% | 281 | 2% | 3,315 | 1% |
| Moderate | 15% | | | | | 1,665 | 11% | 23,693 | 11% |
| Middle | 50% | 8,257 | 59% | 86,367 | 57% | 9,417 | 59% | 121,948 | 55% |
| Upper | 29% | 3,683 | 27% | 44,943 | 29% | 4,493 | 28% | 74,543 | 33% |
| Total | 100% | 13,866 | 100% | 152,807 | 100% | 15,856 | 100% | 223,499 | 100% |

Small Business Lending

During 1996, Magna demonstrated good responsiveness to the AA's need for small business loans by originating a significant volume of loans to small businesses in the AA. Magna originated 2,469 loans totaling \$248 million to small businesses located in the bank's AA. This represents 11% of the number of loans, and 13% of the dollars, originated by lenders who reported their small business lending efforts.

In the following table, the distribution of Magna's small business loans by geography shows good penetration in all income areas of the AA, with the bank's figures approximating the demographic figure. The bank's distribution also approximates that of the overall market. By originating 89% of its loans to businesses in amounts of \$250,000 or less (77% less than or equal to \$100,000), Magna shows excellent responsiveness to the small business community's need for loans. In terms of lending to businesses of different revenue sizes, Magna shows adequate penetration to businesses with revenues of \$1 million or less. Magna originated 1,305 loans totaling \$104 million to businesses with revenues of \$1 million or less. Although the bank's percentage of loans to businesses with revenues of \$1 million or less (53%) is less than the percent of businesses with revenues of \$1 million or less (71%), the bank's figures are consistent with that of the overall market's distribution (52%).

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Loans to Small Businesses - 1996

| Income Level of CT | % of Businesses Located in CT | Number of Loans | | | Dollar Volume | | |
|--------------------|-------------------------------|-----------------|-------------|-------------|----------------|-------------|-------------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 6% | 74 | 3% | 4% | 6,891 | 3% | 4% |
| Moderate | 13% | 323 | 13% | 10% | 31,287 | 13% | 9% |
| Middle | 50% | 1,529 | 62% | 51% | 130,613 | 53% | 48% |
| Upper | 31% | 532 | 22% | 35% | 78,484 | 32% | 39% |
| N/A | 0% | 11 | 0% | 0% | 786 | <1% | 0% |
| Total | 100% | 2,469 | 100% | 100% | 248,061 | 100% | 100% |

Mortgage Lending

During 1995 and 1996, Magna’s origination of HMDA reportable loans demonstrated excellent responsiveness to the AA’s mortgage-related credit needs. During 1995, Magna originated the fourth largest percentage of HMDA reportable loans in the AA with 3% of the total, equaling 2,094 originations for a total of \$114 million. In 1996, Magna retained the fourth position with 3% of total originations, equaling 2,319 loans for a total of \$144 million.

The distribution of Magna’s HMDA reportable lending efforts shows excellent penetration in all geographies and to borrowers of different income levels within its AA. The bank’s lending distribution by geography shows excellent penetration in LMI geographies in both 1995 and 1996. The bank’s penetration in LMI geographies was stronger than the overall market’s penetration in both years and compared favorably to the percentage of owner-occupied housing units (OOH) in each category. The bank’s distribution to borrowers of different income levels also shows excellent penetration across the various income categories of borrower. Again, the bank’s penetration to LMI borrowers was stronger than the overall market’s, particularly to low-income borrowers, and exceeded the demographic figures.

HMDA Originations by Geography

| Income Level of CT | % of OOH | 1995 | | | | | | 1996 | | | | | |
|--------------------|-------------|--------------|-------------|-------------|----------------|-------------|-------------|--------------|-------------|-------------|----------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | 3% | 65 | 3% | 2% | 1,232 | 1% | 1% | 59 | 3% | 2% | 1,379 | 1% | 1% |
| Mod. | 13% | 365 | 17% | 10% | 10,773 | 9% | 5% | 366 | 16% | 10% | 13,054 | 9% | 5% |
| Middle | 53% | 1,300 | 62% | 51% | 71,250 | 62% | 40% | 1,427 | 61% | 50% | 82,669 | 57% | 39% |
| Upper | 31% | 364 | 18% | 37% | 31,132 | 28% | 54% | 467 | 20% | 38% | 47,224 | 33% | 55% |
| Total | 100% | 2,094 | 100% | 100% | 114,387 | 100% | 100% | 2,319 | 100% | 100% | 144,326 | 100% | 100% |

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1995 | | | | | | 1996 | | | | | |
|--------------------------|---------------|--------------|-------------|-------------|----------------|-------------|-------------|--------------|-------------|-------------|----------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | *11% | 336 | 16% | 10% | 6,825 | 6% | 4% | 359 | 16% | 10% | 7,598 | 5% | 4% |
| Mod. | 17% | 409 | 20% | 19% | 12,751 | 11% | 12% | 459 | 20% | 19% | 13,961 | 10% | 12% |
| Middle | 24% | 512 | 24% | 26% | 21,004 | 18% | 21% | 515 | 22% | 24% | 22,212 | 15% | 20% |
| Upper | 39% | 697 | 33% | 34% | 59,214 | 52% | 48% | 777 | 33% | 33% | 67,215 | 47% | 46% |
| N/A | 1% | 140 | 7% | 11% | 14,593 | 13% | 15% | 209 | 9% | 14% | 33,340 | 23% | 18% |
| Total | *92% | 2,094 | 100% | 100% | 114,387 | 100% | 100% | 2,319 | 100% | 100% | 144,326 | 100% | 100% |

* Number reduced by 8%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

During 1996, Magna's origination of loans in LMI areas and to LMI borrowers was consistent with its overall share of the HMDA origination market. Magna held the seventh largest percentage of loans in both LMI areas and to LMI borrowers in 1996. This approximates the bank's fourth place standing in terms of overall HMDA originations.

Magna's penetration in all areas of its AA is reasonable. Magna originated HMDA reportable loans in 386 of the 444 CTs (87%) in its AA during 1996.

Community Development Lending

Magna has made a good volume of qualifying community development loans in the St. Louis MSA. This is exemplified by the three projects listed below, to which the bank has lent a total of \$26 million:

- Magna made a multi-million dollar loan for the refinance and rehabilitation of an abandoned auto manufacturing facility in St. Louis in May 1996. The proceeds of these loans were used to convert this site into an industrial park. This project has resulted in the stabilization of the surrounding LMI area, generated jobs for area residents, and fueled additional redevelopment in the area.
- In July 1995, Magna provided a construction loan for a new health care facility in a moderate-income area of the St. Louis AA. This project provides health services to the surrounding LMI residents. This was vital to the area given the strong possibility that the local medical center would be closing in the near future.
- During December 1996, Magna also provided a loan to rehabilitate a vacant property into a warehousing facility in a moderate-income area of the city of St. Louis. This project has helped revitalize and stabilize the local area and created jobs for local residents.

Flexible Programs

In addition to the flexible products offered throughout the bank's AA (detailed in the Overall Bank rating section of this Evaluation), Magna participates in other locally sponsored lending programs in its St. Louis AA.

Examples include:

- The Madison County Home Buyers Program offered through the Madison County Community Development Authority. This program provides assistance to home buyers living in Madison County by offering grants and low-interest loans to assist with down payment needs so that borrowers may qualify for conventional loans. Magna also participates in the Tri-Cities Area Lenders Group Affordable Housing Program. This program provides low down payment home loans for people living in Madison County.
- The Belleville Home Acquisition, Hometown Protection, and Flood Relief Programs in the St. Clair County portion of the St. Louis MSA. The Home Acquisition Program offers home loans to potential home buyers wishing to purchase homes in Belleville, Illinois. The Hometown Protection Program offers favorable mortgages to firefighters and police officers who purchase homes in the city of East St. Louis. Flood Relief Program loans offer temporary emergency financing for flood victims awaiting insurance claims.
- The Missouri First-Linked Deposit Program for Multi-Family Housing. This program provides loans of \$10,000 or more to finance the purchase, construction, renovation, and land development for housing projects consisting of two or more housing units at below-market rates of interest.

INVESTMENT TEST

Magna's level of investment in qualifying community development investments and grants in the St. Louis MSA is adequate. The bank's community development investments focus on providing additional low-income housing units and small business development capital. Based on information obtained through community contacts, shortages to low-income housing units and small business investment capital are two of the most pressing needs within the St. Louis MSA.

Qualifying investments originated over the evaluation period total \$791,000. These investments consist of the following:

- A \$500,000 investment in a non-profit corporation that 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.
- Magna invested \$25,000 in a for-profit Community Development Corporation (CDC) operating in the city of St. Louis and St. Louis County. This CDC provides financing for new and existing small businesses that are unable to obtain loans from conventional lenders.
- Magna currently has \$153,000 in investments outstanding to two Community Development Corporations

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Magna Bank, N.A., St. Louis, Missouri

(CDCs) operating within the St. Louis MSA. One is a for-profit CDC serving businesses located in Madison and St. Clair Counties in Illinois. This CDC provides funding to new and existing small businesses, often in the form of equity participation or second mortgages. The CDC's support helps businesses obtain additional financing from conventional lenders. The other is a for-profit CDC operating in Belleville, Illinois. This CDC acts as a developer to purchase, renovate, or construct single family homes for resale to LMI families.

- During the evaluation period, Magna held a \$24,000 municipal bond issued by a Housing Authority which builds and manages housing for low-income families living in East St. Louis.
- Magna provided \$73,690 in grants and donations to groups that deliver qualified community development products and services to people in the St. Louis MSA.

SERVICE TEST

Magna's branch offices are reasonably accessible to all areas of the AA and to individuals of different income levels. Magna has 75 branch locations throughout the St. Louis AA. The percentage of branch offices in LMI CTs is lower than the demographics of the assessment area. However, Magna is one of the few institutions to maintain a branch office in East St. Louis, Illinois, one of the region's most financially distressed communities.

The following table displays the geographic distribution of Magna's branch offices and automated-teller machines (ATMs) in relation to both the percentage of geographies within, and percentage of families living in, each income category.

Branch and ATM Distribution

| Census Tract/BNA Designation | # Branches | % | # ATMs | % | % of Geographies | % of Families Living in Geography |
|------------------------------|------------|-------------|-----------|-------------|------------------|-----------------------------------|
| Low-Income | 1 | 1% | 1 | 1% | 13% | 6% |
| Moderate-Income | 9 | 12% | 9 | 11% | 20% | 15% |
| Middle-Income | 44 | 59% | 56 | 66% | 45% | 50% |
| Upper-Income | 21 | 28% | 19 | 22% | 21% | 29% |
| N/A | 0 | 0% | 0 | 0% | 1% | 0% |
| Total | 75 | 100% | 85 | 100% | 100% | 100% |

Magna provides a relatively high level of community development services within the St. Louis AA. Bank officers serve on the Board of Directors of several organizations including the St. Louis Equity Fund (SLEF),

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Neighborhood Housing Services (NHS), and the St. Louis Association of Community Organizations (SLACO). These organizations deliver community development services to LMI persons and geographies.

Bank officers are actively involved in community development efforts and groups in and around the city of East St. Louis, Illinois. Officers serve on advisory committees working to increase the use of direct deposit services for government payments in low-income areas. An officer serves as Chairperson of the Metro East Lending Group Mortgage Appeal Board, which allows denied home loan applicants an opportunity to submit their application to participating lenders. This lender group is one of three established nationwide.

Magna's lenders regularly participate in banking fairs, home buying seminars, and lender luncheons sponsored by local community organizations and neighborhood housing groups throughout the assessment area.

STATE OF ILLINOIS RATINGS

CRA Rating for Illinois: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The service test is rated: High Satisfactory

We assigned the above ratings since:

- Magna's lending levels reflect excellent responsiveness to the credit needs of the AA, with good penetration both in geographies and to borrowers of differing income levels, especially those designated LMI.
- Magna demonstrated excellent responsiveness to the need for small business loans by originating a significant majority (92%) of its loans in amounts under \$250,000.
- Magna has made an adequate level of qualifying investments within its AA.
- Magna's delivery systems ensure reasonable accessibility of the bank's services to all portions of its AA.
- Magna provides a high level of community development service to its AA through representation in various community development organizations and community leadership.
- CRA performance in the four MSAs and the non-MSA portion of the Illinois AA is consistent with the overall rating assigned for the State of Illinois. Please refer to the Appendix of this Evaluation for additional detail.

Description of Institution's Operations in the State

Magna's operations in Illinois provide services to Bloomington-Normal, Decatur, Peoria-Pekin, and Springfield MSAs, along with a portion of the state not located within an MSA, mainly in the south-central part of the state. Major cities located in this non-MSA area include Carbondale, Centralia, Lincoln, and Murphysboro. Magna's AA consists of a total of 257 BNAs/CTs and includes a population of approximately 961,000. This population represents 29% of the total population served by Magna. The following chart summarizes the distribution of census tracts and families within the AA.

Community Reinvestment Act Performance EvaluationMagna Bank, N.A., St. Louis, Missouri

Demographic Information

| Income Level | Census Tracts/BNAs | | Families Designated | |
|-----------------|--------------------|-------------|---------------------|-------------|
| | # | % of AA | # | % of AA |
| Low-Income | 20 | 8% | 50,547 | 20% |
| Moderate-Income | 47 | 18% | 45,544 | 18% |
| Middle-Income | 141 | 55% | 61,765 | 24% |
| Upper-Income | 45 | 18% | 95,685 | 38% |
| N/A | 4 | 1% | 0 | 0% |
| Total | 257 | 100% | 253,541 | 100% |

The above demographic information includes 22,979 families (9% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, approximately \$1.2 billion, or 25%, of the bank's total deposits came from within the bank's Illinois AA. Magna serves this AA through a network of 32 branches, 22 ATMs, and 1 ALM. These figures represent 30% of the bank's total branches, 21% of ATMs, and 50% of ALMs.

CONCLUSIONS REGARDING PERFORMANCE TESTS IN THE STATE

LENDING TEST

The bank's lending efforts within the State of Illinois demonstrate excellent responsiveness to the AA's credit needs. Magna has originated a significant volume of consumer, small business, and HMDA reportable loans within the AA. The distribution of these loans across the various geographies and to borrowers of different income levels is strong. We based our lending test rating on the bank's origination of loans in 1995 and 1996, with an emphasis on 1996 lending efforts. During 1996, Magna originated 6,865 consumer loans totaling \$83 million, 1,661 small business loans totaling \$134 million, and 1,210 HMDA reportable loans totaling \$61 million in the AA.

Consumer Lending

During 1995 and 1996, Magna's origination of a significant volume of consumer loans within the AA demonstrated excellent responsiveness to the credit needs of the community. As displayed in the following tables, the lending efforts showed excellent penetration in all segments. The bank's distribution by income level of the borrower shows Magna's percent of loans to LMI individuals significantly exceeding the percentage of families designated LMI. The bank's geographic distribution in LMI geographies approximates the percentage of families living in those geographies.

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Magna Bank, N.A., St. Louis, Missouri

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|-------|------|---------|------|
| | | # | % | \$ 000s | % |
| Low | * 11% | 1,109 | 16% | 8,338 | 10% |
| Moderate | 18% | 1,444 | 21% | 14,516 | 17% |
| Middle | 24% | 1,687 | 25% | 19,795 | 24% |
| Upper | 38% | 2,251 | 33% | 34,026 | 41% |
| N/A | 0% | 374 | 5% | 6,383 | 8% |
| Total | * 91% | 6,865 | 100% | 83,058 | 100% |

*Number reduced by 9%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Consumer Loans by Geography

| Income Level of CT | % of Families Living in CT | 1995 | | | | 1996 | | | |
|--------------------|----------------------------|-------|------|---------|------|-------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 3% | 1,124 | 18% | 9,001 | 16% | 145 | 2% | 1,609 | 2% |
| Moderate | 16% | | | | | 990 | 14% | 10,338 | 13% |
| Middle | 61% | 4,104 | 64% | 37,947 | 66% | 4,582 | 67% | 55,770 | 67% |
| Upper | 20% | 1,126 | 18% | 10,714 | 18% | 1,148 | 17% | 15,341 | 18% |
| Total | 100% | 6,354 | 100% | 57,662 | 100% | 6,865 | 100% | 83,058 | 100% |

Small Business Lending

During 1996, Magna demonstrated excellent responsiveness to the credit needs of small businesses by originating a significant volume of loans to small businesses in Illinois. Magna originated 1,661 loans totaling \$134 million to small businesses located in the Illinois AA. This represented 17% of the number and 24% of the dollars reported by all lenders to small businesses in the AA during 1996.

As demonstrated in the following tables, the bank's distribution of loans to small businesses shows good penetration in all geographies. The bank's loan distribution to small businesses located in low-income geographies exceeded both the percentage of businesses located in low-income geographies and the overall market's distribution. The bank's loan distribution to businesses located in moderate-income geographies was lower than the percentage of businesses located in moderate-income geographies and the market distribution.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Loans to Small Businesses - 1996

| Income Level of CT | % of Businesses Located in CT | Number of Loans | | | Dollar Volume | | |
|--------------------|-------------------------------------|-----------------|--------|-------|---------------|--------|-------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 7% | 146 | 9% | 8% | 11,918 | 9% | 9% |
| Moderate | 21% | 264 | 16% | 20% | 20,784 | 16% | 19% |
| Middle | 52% | 879 | 53% | 48% | 62,940 | 47% | 43% |
| Upper | 20% | 372 | 22% | 24% | 38,183 | 28% | 29% |
| Total | 100% | 1,661 | 100% | 100% | 133,825 | 100% | 100% |

Magna has demonstrated excellent responsiveness to the need for small loans to businesses. During 1996, Magna originated 92% of its small business loans in amounts of \$250,000 or less, with 82% in amounts less than \$100,000.

An analysis of the bank's lending performance based on revenue size of the business shows adequate penetration to businesses of various revenue size. During 1996, Magna originated 1,661 loans to businesses with revenues of \$1 million or less. The bank's loan distribution to businesses with revenues of \$1 million or less (41%) was significantly less than the percentage of businesses in the AA with revenues of \$1 million or less (70%). The bank's percentage also trailed that of the overall market's distribution to businesses with revenues of \$1 million or less (53%).

Mortgage Lending

During 1995 and 1996, Magna demonstrated excellent responsiveness to the mortgage-related credit needs of the AA by originating a significant volume of HMDA reportable loans. During 1995, Magna originated 685 HMDA reportable loans totaling \$47 million. During 1996, Magna increased the number of HMDA reportable loans to 1,210 and the dollar volume to \$61 million.

Magna's distribution of HMDA reportable loans, both by geography and income level of the borrower is excellent. The bank's lending distribution by geography shows excellent penetration in LMI geographies. Magna is making a larger percentage of loans in LMI geographies than the percentage of owner-occupied housing units (OOH) located in these geographies. The bank's loan distribution to borrowers of different income levels shows excellent penetration to moderate-income borrowers for both years, as its distribution exceeded the percentage of families designated as moderate-income. The bank's loan penetration to low-income borrowers equals the demographic figure in 1996.

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HMDA Originations by Geography

| Income Level of CT | % of OOH | 1995 | | | | 1996 | | | |
|--------------------|----------|------|------|---------|------|-------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 2% | 50 | 7% | 7,201 | 15% | 60 | 5% | 1,728 | 3% |
| Moderate | 15% | 143 | 21% | 6,349 | 13% | 215 | 18% | 7,849 | 13% |
| Middle | 62% | 308 | 45% | 19,887 | 42% | 725 | 60% | 34,107 | 56% |
| Upper | 21% | 184 | 27% | 13,991 | 30% | 210 | 17% | 16,992 | 28% |
| Total | 100% | 685 | 100% | 47,428 | 100% | 1,210 | 100% | 60,676 | 100% |

HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1995 | | | | 1996 | | | |
|--------------------------|---------------|------|------|---------|------|-------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | * 11% | 48 | 7% | 1,152 | 2% | 133 | 11% | 2,409 | 4% |
| Moderate | 18% | 156 | 23% | 6,606 | 14% | 226 | 19% | 7,680 | 13% |
| Middle | 24% | 172 | 25% | 9,264 | 20% | 301 | 25% | 11,207 | 18% |
| Upper | 38% | 260 | 38% | 24,885 | 52% | 455 | 37% | 27,666 | 46% |
| N/A | 0% | 49 | 7% | 5,521 | 12% | 95 | 8% | 11,714 | 19% |
| Total | * 91% | 685 | 100% | 47,428 | 100% | 1,210 | 100% | 60,676 | 100% |

* Number reduced by 9%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Magna's penetration throughout the entire AA is reasonable. During 1996, Magna made HMDA reportable loans in 234 of the 257 geographies (91%) in the bank's AA.

Community Development Lending

Management was unable to identify any other community development loans that originated in its Illinois AA that were not already reported elsewhere. Please refer to the St. Louis MSA section of this Evaluation for additional information regarding Magna's community development lending efforts.

Flexible Products

In addition to the products offered throughout the bank's AA (detailed in the Overall Bank rating section of this Evaluation), Magna participates in other locally sponsored lending programs throughout its Illinois AA.

Examples include:

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- Participation in the city of Carbondale Housing Development Authority Mortgage Credit Certificate Program. This program offers home loans to LMI home buyers. The product includes a reduction in the borrower's tax liability by the amount of interest paid on the loan.
- Participation in a home loan program sponsored by the Illinois Housing Authority and the city of Centralia. This mortgage loan program is targeted to low-income areas of the city. The product is a home improvement loan product which includes grant money of up to 75% of the loan amount. The home improvement loan must be less than \$25,000.
- Participation in the Illinois Farm Development Authority Loan Program, which offers loans to farmers on more favorable terms and conditions than conventional farm loans.
- Participation in the Springfield Community Home Buyer's Program. This program provides grants for up to 2% of total closing costs and down payment requirements for eligible borrowers through the city of Springfield. Magna also participates in the Springfield Redevelopment Corporation Affordable Housing Program, which provides relaxed standards for down payment and closing costs to applicants wishing to purchase homes rehabilitated by the Springfield Redevelopment Corporation.

INVESTMENT TEST

Magna has an adequate level of qualifying investments in its Illinois AA. Magna has invested \$2.75 million in three limited partnerships created by a local equity fund. This investment represents 16% of the total equity raised by the fund since its inception. The fund is a non-profit corporation that organizes limited partnerships to acquire, rehabilitate, construct, operate, lease, and manage housing units for low-income families. These projects are restricted to low-income occupants, thereby qualifying for low-income housing tax credits. The fund's projects are undertaken in various communities throughout the State of Illinois, excluding the Chicago Metropolitan Statistical Area.

To date, this equity fund has successfully developed eleven housing projects with a combined total of 545 units of affordable housing for low-income families throughout the state. The projects help strengthen the economic and social well-being of the surrounding communities. Other projects include a \$1.8 million investment to develop low-income housing within Magna's Peoria AA and \$1.5 million to develop housing for low-income individuals in the Springfield AA.

Magna has invested \$15,000 in a local corporation which functions as a statewide development bank, providing financing to small businesses including working capital loans and surety bond guarantees. Investments from banking institutions, State agencies, and other corporations are used to fund the corporation's lending programs. Magna also makes other small investments through grants and donations to local community groups and organizations that deliver qualified community development products and services to LMI people living throughout its Illinois AA.

SERVICE TEST

Magna’s branch offices are reasonably accessible to all portions of its Illinois AA. The bank has 32 branch offices located throughout this area. Although Magna has just one branch in a low-income geography, the overall distribution of branch offices compares favorably with the demographics of the bank’s AA. The following table displays Magna’s branch and ATM distribution for the Illinois AA.

Branch and ATM Distribution

| Census Tract/BNA Designation | # Branches | % | # ATMs | % | % of Geographies | % of Families Living in Geography |
|------------------------------|------------|-------------|-----------|-------------|------------------|-----------------------------------|
| Low-Income | 1 | 3% | 0 | 0% | 8% | 3% |
| Moderate-Income | 8 | 25% | 7 | 32% | 18% | 16% |
| Middle-Income | 17 | 53% | 9 | 41% | 55% | 61% |
| Upper-Income | 6 | 19% | 6 | 27% | 18% | 20% |
| N/A | 0 | 0% | 0 | 0% | 1% | 0% |
| Total | 32 | 100% | 22 | 100% | 100% | 100% |

The bank’s distribution of its branches and ATMs in the various MSA and non-MSA markets is consistent with the overall conclusion noted above. Please refer to the Appendix for detail regarding the distribution of branches and ATMs in the four MSAs and the non-MSA segments of the Illinois AA.

Magna provides a high level of community development services within the State of Illinois. Magna is represented on the Board of Directors of several community development organizations including the Community Investment Corporation of Decatur, Decatur-Macon County Economic Development Foundation, Springfield Illinois Redevelopment Corporation, Carbondale Community Development Corporation, and Illinois Equity Fund.

Bank officers regularly meet with public officials, small business owners, community leaders and other community residents to provide information and answer questions on obtaining credit. Bank personnel conduct home buyer seminars, provide money management training, and teach courses on managing personal finances for LMI persons. Bank officers and lenders participate in numerous bank fairs targeted at LMI individuals and small business owners.

APPENDIX

APPENDIX A

MSA # 1040 - BLOOMINGTON-NORMAL, IL

Description of Institution's Operations in the MSA

Magna has defined its Bloomington AA to be all of the Bloomington, IL MSA. The MSA and AA consist of all of McLean County in Central Illinois. Total population of the MSA/AA was approximately 129,000 as of 1990. This represents 4% of the population of the bank's combined AA. HUD's 1997 estimated median family income for the MSA/AA is \$54,400. The following chart summarizes demographic data for the MSA/AA:

Demographic Information

| Income Level | Census Tracts | | Families Designated | |
|-----------------|---------------|-------------|---------------------|-------------|
| | # | % of AA | # | % of AA |
| Low-Income | 2 | 7% | 5,207 | 17% |
| Moderate-Income | 6 | 19% | 5,909 | 19% |
| Middle-Income | 18 | 58% | 8,321 | 27% |
| Upper-Income | 5 | 16% | 11,218 | 37% |
| Total | 31 | 100% | 30,655 | 100% |

The above demographic information includes 1,840 families (6% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, \$118 million of the bank's total deposits, 3%, were from this MSA/AA. Magna provides services to this MSA/AA through a network of three branches and one ATM. This represents 3% of the bank's total branches and 1% of the bank's ATMs.

LENDING TEST

Magna originates a strong volume of consumer, small business and HMDA reportable loans within the MSA. The distribution of these loans across the various geographies and to borrowers of different income levels is excellent.

Consumer Lending

During 1995 and 1996, Magna demonstrated excellent responsiveness to the credit needs of its AA through the origination of consumer loans. The distribution of these loans shows penetration in both different geographies and income levels of borrowers. The bank's origination across LMI geographies and to LMI borrowers approximates, or exceeds, the demographic makeup of the MSA.

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Magna Bank, N.A., St. Louis, Missouri

Consumer Loans by Geography

| Income Level of CT | % of Families Living in CT | 1995 | | | | 1996 | | | |
|--------------------|----------------------------|------------|-------------|--------------|-------------|------------|-------------|---------------|-------------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 1% | 204 | 32% | 2,407 | 33% | 38 | 5% | 651 | 6% |
| Moderate | 19% | | | | | 148 | 19% | 1,850 | 17% |
| Middle | 61% | 334 | 52% | 3,691 | 50% | 495 | 63% | 6,910 | 62% |
| Upper | 19% | 102 | 16% | 1,229 | 17% | 111 | 14% | 1,682 | 15% |
| Total | 100% | 640 | 100% | 7,327 | 100% | 792 | 100% | 11,093 | 100% |

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|------------|-------------|---------------|-------------|
| | | # | % | \$ 000s | % |
| Low | * 11% | 151 | 19% | 1,389 | 13% |
| Moderate | 19% | 174 | 22% | 2,076 | 19% |
| Middle | 27% | 231 | 29% | 3,104 | 28% |
| Upper | 37% | 219 | 28% | 3,944 | 36% |
| N/A | 0% | 17 | 2% | 580 | 5% |
| Total | * 94% | 792 | 100% | 11,093 | 100% |

* Number reduced by 6%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Small Business Lending

Magna's origination of loans to small businesses in 1996 shows excellent responsiveness to the credit needs of small businesses. During 1996, Magna originated 157 loans to small businesses for a total of \$11.5 million. This represents 9% of the number of loans and 11% of the dollar amount of small business loans reported in the MSA.

As detailed in the following table, the bank had excellent penetration in all geographies in the MSA. Magna's distribution of loans based on the location of the business exceeds both the demographic and market figure in LMI areas. During 1996, Magna originated 93% of its small business loans in amounts less than, or equal to, \$250,000, demonstrating excellent responsiveness to the need for small loans. Magna does, however, originate a lower percentage of its loans to businesses with revenues of \$1 million or less (35%) than both the percentage of businesses with revenues of \$1 million or less (67%) and the market's distribution to these businesses (57%). Magna originated 55 loans to businesses with revenues of \$1 million or less totaling \$3 million during 1996.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Loans to Small Businesses - 1996

| Income Level of CT | % of Businesses Located in CT | Number of Loans | | | Dollar Volume | | |
|--------------------|-------------------------------|-----------------|-------------|-------------|---------------|-------------|-------------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 13% | 34 | 22% | 13% | 2,071 | 18% | 12% |
| Moderate | 16% | 33 | 21% | 16% | 1,318 | 12% | 16% |
| Middle | 46% | 73 | 46% | 50% | 7,172 | 63% | 51% |
| Upper | 25% | 17 | 11% | 21% | 887 | 8% | 20% |
| Total | 100% | 157 | 100% | 100% | 11,448 | 100% | 100% |

Mortgage Lending

Magna originated a reasonable volume of HMDA reportable loans during 1995 and 1996 within the MSA to demonstrate responsiveness to the real estate-related credit needs of the MSA. During 1995, Magna was the 12th largest originator of HMDA reportable loans in the MSA with 2% of total originations. Magna reported 115 originations totaling \$9 million. During 1996, Magna originated 1% of the total for the market, ranking the bank 18th among all HMDA reporters, with 90 originations totaling \$7 million.

As demonstrated in the following two charts, Magna’s distribution of HMDA reportable loans by both geography and income level of the borrower is excellent. Both tables show penetration in all areas of the MSA and to LMI borrowers. Magna’s distribution of lending to LMI CTs and to LMI individuals in 1995 and 1996 approximated or exceeded both the demographic and the market figures. The percentage of Magna’s HMDA reportable loans lent to moderate-income individuals in 1996 was significantly above the demographic figure.

HMDA Originations by Geography

| Income Level of CT | % of OOH | 1995 | | | | | | 1996 | | | | | |
|--------------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|-----------|-------------|-------------|--------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | 1% | 1 | 1% | 1% | 98 | 0% | 1% | 2 | 2% | 2% | 134 | 2% | 2% |
| Moderate | 18% | 28 | 24% | 21% | 1,771 | 44% | 17% | 19 | 21% | 22% | 1,264 | 18% | 19% |
| Middle | 62% | 62 | 54% | 58% | 5,234 | 38% | 59% | 52 | 58% | 59% | 3,811 | 54% | 57% |
| Upper | 19% | 24 | 21% | 20% | 1,664 | 18% | 23% | 17 | 19% | 17% | 1,888 | 26% | 22% |
| Total | 100% | 115 | 100% | 100% | 8,767 | 100% | 100% | 90 | 100% | 100% | 7,097 | 100% | 100% |

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HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1995 | | | | | | 1996 | | | | | |
|--------------------------|---------------|------------|-------------|-------------|--------------|-------------|-------------|-----------|-------------|-------------|--------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | *11% | 8 | 7% | 8% | 93 | 1% | 4% | 9 | 10% | 8% | 403 | 6% | 4% |
| Moderate | 19% | 29 | 25% | 21% | 1,418 | 16% | 15% | 29 | 32% | 20% | 1,298 | 19% | 14% |
| Middle | 27% | 34 | 30% | 29% | 2,379 | 27% | 26% | 23 | 26% | 32% | 1,520 | 21% | 27% |
| Upper | 37% | 39 | 34% | 35% | 3,748 | 43% | 46% | 23 | 26% | 34% | 2,633 | 37% | 42% |
| N/A | 0% | 5 | 4% | 7% | 1,129 | 13% | 9% | 6 | 6% | 6% | 1,243 | 17% | 13% |
| Total | *94% | 115 | 100% | 100% | 8,767 | 100% | 100% | 90 | 100% | 100% | 7,097 | 100% | 100% |

* Number reduced by 6%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

During 1996, Magna's origination of loans in LMI tracts and to LMI individuals was consistent with its overall share of HMDA originations. Magna held the 22nd largest percentage of loans originated in LMI geographies (1.3%) and 13th largest percent to LMI borrowers (1.8%). This approximates the 18th place ranking of all HMDA originators Magna held in 1996.

Magna's distribution to all areas of its AA is reasonable. During 1996, Magna originated HMDA reportable loans in 28 of the 31 CTs (90%) in the AA.

Please refer to the State of Illinois section of this Evaluation for a discussion regarding the bank's community development lending efforts and use of flexible/innovative loan products.

INVESTMENT TEST

Please refer to the State of Illinois section of this Evaluation for a description of the bank's qualifying investments which benefit this AA.

SERVICE TEST

Magna's services are reasonably accessible to all areas of the MSA. Two of the three Magna branches in this MSA are located in middle-income tracts, with the remainder located in an upper-income tract. The bank's ATM in this MSA is located in a high-income tract. Please refer to the service test in the State of Illinois section of this Evaluation for additional details regarding the bank's services in the MSA.

APPENDIX B MSA # 2040 - DECATUR, IL

Description of Institution's Operations in the MSA

Magna's Decatur AA consists of the entire Decatur MSA. The MSA/AA consists of all of Macon County in Central Illinois. The total population of the MSA/AA approximates 117,000, which represents 4% of the total population of the bank's combined AA. HUD's 1997 estimated median family income for the MSA/AA is \$42,800. The following chart summarizes demographic data for the MSA/AA:

Demographic Information

| Income Level | Census Tracts | | Families Designated | |
|-----------------|---------------|-------------|---------------------|-------------|
| | # | % of AA | # | % of AA |
| Low-Income | 5 | 13% | 6,758 | 21% |
| Moderate-Income | 7 | 19% | 5,709 | 17% |
| Middle-Income | 17 | 46% | 7,734 | 24% |
| Upper-Income | 8 | 22% | 12,401 | 38% |
| Total | 37 | 100% | 32,602 | 100% |

The above demographic information includes 3,208 families (10% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, \$237 million of the bank's deposits, or 5%, were from this AA. Magna provides service to this MSA/AA through a network of four branches and four ATMs. This represents 4% of the number of branches and 4% of the bank's ATMs.

LENDING TEST

Magna originated a strong volume of consumer, small business, and HMDA reportable loans within the MSA/AA. The distribution of these lending efforts across the various geographies and to borrowers of different income levels is excellent.

Consumer Lending

During 1995 and 1996, Magna originated a good volume of consumer loans within its Decatur MSA/AA, demonstrating good responsiveness to the needs of the AA. The distribution of these lending efforts is excellent, both in terms of distribution by CT and borrower income level. The bank exceeds the LMI demographic figures for loans to LMI borrowers.

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Consumer Loans by Geography

| Income Level of CT | % of Families Living in CT | 1995 | | | | 1996 | | | |
|--------------------|----------------------------|-------|------|---------|------|------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 6% | 308 | 25% | 1,578 | 24% | 43 | 6% | 238 | 4% |
| Moderate | 18% | | | | | 139 | 20% | 869 | 15% |
| Middle | 47% | 614 | 51% | 3,380 | 50% | 334 | 47% | 3,220 | 53% |
| Upper | 29% | 294 | 24% | 1,743 | 26% | 196 | 27% | 1,697 | 28% |
| Total | 100% | 1,216 | 100% | 6,701 | 100% | 712 | 100% | 6,024 | 100% |

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|------|------|---------|------|
| | | # | % | \$ 000s | % |
| Low | * 11% | 176 | 25% | 858 | 14% |
| Moderate | 17% | 165 | 23% | 1,006 | 17% |
| Middle | 24% | 128 | 18% | 1,070 | 18% |
| Upper | 38% | 171 | 24% | 1,820 | 30% |
| N/A | 0% | 72 | 10 | 1,270 | 21% |
| Total | * 90% | 712 | 100% | 6,024 | 100% |

* Number reduced by 10%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Small Business Lending

Magna's origination of small business loans shows excellent responsiveness to the credit needs of local small businesses. During 1996, Magna originated 384 loans totaling \$23.4 million to small businesses located in the MSA/AA. This represents 37% of loans reported by the market in terms of number of loans and 49% in terms of dollars.

As detailed in the following tables, the bank's distribution by location of the business shows good penetration in all areas, while approximating the demographic composition of the MSA/AA and the market's distribution. Magna also makes a significant number of its loans (95%) to small businesses in amounts of \$250,000 or less. This demonstrates responsiveness to the need for small business loans. When looking at the bank's distribution by revenue size of the business, however, Magna makes a significantly lower percent of its loans to businesses with revenues of \$1 million or less (28%) than those businesses represent in the entire population (68%). The bank's distribution does, however, reasonably approximate the distribution of the overall market (35%). During 1996, Magna originated 108 loans totaling \$5 million to businesses with revenues of \$1 million or less.

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Magna Bank, N.A., St. Louis, Missouri

Loans to Small Businesses - 1996

| Income Level of CT | % of Businesses Located in CT | Number of Loans | | | Dollar Volume | | |
|--------------------|-------------------------------|-----------------|-------------|-------------|---------------|-------------|-------------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 19% | 66 | 17% | 23% | 5,659 | 24% | 26% |
| Moderate | 29% | 92 | 24% | 21% | 5,460 | 23% | 23% |
| Middle | 35% | 112 | 29% | 30% | 5,073 | 22% | 23% |
| Upper | 17% | 114 | 30% | 26% | 7,160 | 31% | 28% |
| Total | 100% | 384 | 100% | 100% | 23,352 | 100% | 100% |

Mortgage Lending

Magna originated a strong volume of HMDA reportable loans during 1995 and 1996 within its MSA/AA, demonstrating good responsiveness to the credit needs of the community. During 1995, Magna was the sixth largest originator of HMDA reportable loans with a 5% share of the market. Magna originated 146 loans totaling \$5 million. During 1996, Magna dropped to the seventh position by originating 4% of the market's loans with 149 originations totaling \$3.9 million.

Magna's distribution of HMDA reportable loans by both geography and income level of the borrower is excellent. The following two tables shows penetration in LMI geographies and to borrowers of different income levels. Magna approximates or exceeds the market's distribution of lending in LMI CTs and to LMI borrowers. Magna's percentage of loans to low-income individuals is significantly greater than the demographic figure.

HMDA Originations by Geography

| Income Level of CT | % of OOH | 1995 | | | | | | 1996 | | | | | |
|--------------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | 4% | 6 | 4% | 2% | 21 | < 1% | 1% | 10 | 7% | 3% | 42 | 1% | 1% |
| Moderate | 17% | 26 | 18% | 14% | 700 | 14% | 7% | 34 | 23% | 14% | 657 | 17% | 9% |
| Middle | 49% | 67 | 46% | 50% | 2,222 | 43% | 46% | 73 | 49% | 49% | 2,061 | 53% | 46% |
| Upper | 30% | 47 | 32% | 34% | 2,200 | 43% | 46% | 32 | 21% | 34% | 1,116 | 29% | 45% |
| Total | 100% | 146 | 100% | 100% | 5,143 | 100% | 100% | 149 | 100% | 100% | 3,876 | 100% | 100% |

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Magna Bank, N.A., St. Louis, Missouri

HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1995 | | | | | | 1996 | | | | | |
|--------------------------|---------------|------------|-------------|-------------|--------------|-------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | *11% | 16 | 11% | 10% | 371 | 7% | 5% | 32 | 21% | 9% | 162 | 4% | 4% |
| Moderate | 17% | 40 | 27% | 20% | 943 | 18% | 13% | 27 | 18% | 18% | 484 | 13% | 12% |
| Middle | 24% | 38 | 26% | 28% | 907 | 18% | 25% | 43 | 29% | 28% | 799 | 21% | 22% |
| Upper | 38% | 45 | 31% | 36% | 2,438 | 48% | 50% | 40 | 27% | 38% | 1,956 | 50% | 54% |
| N/A | 0% | 7 | 5% | 6% | 484 | 9% | 7% | 7 | 5% | 7% | 475 | 12% | 8% |
| Total | *90% | 146 | 100% | 100% | 5,143 | 100% | 100% | 149 | 100% | 100% | 3,876 | 100% | 100% |

* Number reduced by 10%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Magna's origination of loans in LMI areas and to LMI borrowers was better than its overall share of HMDA originations. Magna originated the sixth largest percentage of loans in LMI tracts (5.5%) and eighth largest percent to LMI borrowers (4.9%). These are both slightly better than the bank's ninth place ranking for HMDA originations. Additionally, Magna originated HMDA reportable loans in 35 of the 37 CTs (95%) in 1996.

Please refer to the State of Illinois section of this Evaluation for a discussion regarding the bank's community development lending efforts and use of flexible/innovative loan products.

INVESTMENT TEST

Please refer to the State of Illinois section of this Evaluation for a description of the bank's qualifying investments which benefit this AA.

SERVICE TEST

Magna's services are reasonably accessible to all areas of the MSA. In this MSA, Magna has one branch located in low-income, two in moderate-income, and one in middle-income tracts. In this MSA, two of the bank's four ATMs are located in moderate-income, one in middle-income and one in upper-income tracts. Please refer to the service test in the State of Illinois section of this Evaluation for additional details regarding the bank's services in the MSA.

APPENDIX C

MSA # 6120 - PEORIA-PEKIN, IL

Description of Institution's Operations in the MSA

Magna has defined its Peoria AA to be the Peoria MSA. This MSA/AA consists of all of Peoria, Tazewell, and Woodford Counties in Central Illinois. The total population of this area approximates 339,000, which represents 10% of the total population served by the bank. HUD's 1997 estimated median family income for the MSA is \$46,000. The following chart summarizes other relevant demographic data for the MSA/AA:

Demographic Information

| Income Level | Census Tracts | | Families Designated | |
|-----------------|---------------|-------------|---------------------|-------------|
| | # | % of AA | # | % of AA |
| Low-Income | 7 | 7% | 18,730 | 20% |
| Moderate-Income | 17 | 18% | 16,302 | 18% |
| Middle-Income | 51 | 53% | 22,135 | 24% |
| Upper-Income | 17 | 18% | 35,079 | 38% |
| N/A | 4 | 4% | 0 | 0% |
| Total | 96 | 100% | 92,246 | 100% |

The above demographic information includes 8,393 families (9% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, \$194 million of the bank's deposits, or 4%, originated from this MSA/AA. Magna provides services to this MSA/AA through a network of seven branches and six ATMs. This represents 7% of the bank's total branches and 6% of the ATMs.

LENDING TEST

Magna has originated a significant volume of consumer, small business, and HMDA reportable loans within the MSA/AA. The distribution of these lending efforts across the various geographies and to borrowers of different income levels is excellent.

Consumer Lending

During 1995 and 1996, Magna originated a good volume of consumer loans within the MSA/AA demonstrating good responsiveness to this credit need. The bank's penetration in the different geographies is good, while the distribution to borrowers is excellent. The bank's distribution to LMI geographies approximates the demographic figure, while the distribution to LMI borrowers is significantly greater than the demographic figures.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Consumer Loans by Geography

| Income Level of CT | % of Families Living in CT | 1995 | | | | 1996 | | | |
|--------------------|----------------------------|--------------|-------------|---------------|-------------|--------------|-------------|---------------|-------------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 4% | 185 | 14% | 1,907 | 12% | 30 | 1% | 410 | 1% |
| Moderate | 14% | | | | | 288 | 14% | 3,430 | 12% |
| Middle | 64% | 874 | 65% | 10,547 | 66% | 1,316 | 65% | 18,139 | 64% |
| Upper | 18% | 283 | 21% | 3,428 | 22% | 404 | 20% | 6,240 | 22% |
| Total | 100% | 1,342 | 100% | 15,882 | 100% | 2,038 | 100% | 28,219 | 100% |

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|-------------|-------------|---------------|-------------|
| | | # | % | \$ 000s | % |
| Low | * 11% | 336 | 16% | 3,330 | 12% |
| Moderate | 18% | 477 | 23% | 6,041 | 21% |
| Middle | 24% | 611 | 30% | 8,466 | 30% |
| Upper | 38% | 586 | 29% | 9,712 | 34% |
| N/A | 0% | 28 | 1% | 670 | 2% |
| Total | * 91% | 2038 | 100% | 28,219 | 100% |

* Number reduced by 9%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Small Business Lending

Magna's origination of small business loans shows excellent responsiveness to the credit needs of small businesses. During 1996, Magna originated 267 loans to small businesses in the MSA/AA for a total of \$30.2 million. This represents 11% of the number and 17% of the dollar volume of small business loans reported by all lenders in the MSA/AA during 1996. The bank's penetration in LMI areas is excellent. Magna exceeds the demographic figure in low-income areas and equals the demographic figure in moderate-income areas. Magna demonstrates responsiveness to the need for small loans by businesses. During 1996, Magna originated 87% of its small business loans in amounts of \$250,000 or less. Magna makes a significantly smaller portion of its loans to businesses with revenues of \$1 million or less (21%) than those businesses represent in the entire population (69%). Magna also trails the market distribution in this regard (53%).

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Loans to Small Businesses - 1996

| Income Level of CT | % of Businesses Located in CT | Number of Loans | | | Dollar Volume | | |
|--------------------|-------------------------------|-----------------|-------------|-------------|---------------|-------------|-------------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 5% | 22 | 8% | 6% | 2,794 | 9% | 8% |
| Moderate | 18% | 48 | 18% | 17% | 3,093 | 10% | 18% |
| Middle | 56% | 121 | 45% | 50% | 11,352 | 38% | 40% |
| Upper | 21% | 76 | 29% | 27% | 12,949 | 43% | 34% |
| Total | 100% | 267 | 100% | 100% | 30,188 | 100% | 100% |

Mortgage Lending

Magna has not originated a significant volume of mortgage-related loans in the Peoria MSA in relation to the overall market's originations. During 1995, Magna originated 127 HMDA reportable loans totaling \$7 million. This made the bank the 17th largest originator of HMDA reportable loans in the MSA with 1% of the market. During 1996, Magna remained in the 17th place with a 1% share by originating 142 loans for a total of \$7 million.

Magna's distribution of HMDA reportable loans shows excellent penetration in LMI geographies and to LMI borrowers. The following two tables show the distribution of the bank's lending efforts by the different geographies and income levels of the borrower. In lending by geography, Magna exceeds both the percent of owner-occupied housing units (OOH) in the tracts and the overall market's distribution. Magna's percentage of loans to LMI borrowers equals the percentage of LMI families considered and approximates the market's distribution.

HMDA Originations by Geography

| Income Level of CT | % of OOH | 1995 | | | | | | 1996 | | | | | |
|--------------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | 2% | 5 | 4% | 1% | 97 | 1% | 1% | 13 | 9% | 2% | 221 | 3% | 1% |
| Moderate | 13% | 33 | 26% | 13% | 1,130 | 15% | 8% | 30 | 21% | 13% | 930 | 13% | 8% |
| Middle | 66% | 59 | 46% | 66% | 4,005 | 54% | 62% | 70 | 50% | 64% | 3,537 | 51% | 59% |
| Upper | 19% | 30 | 24% | 19% | 2,200 | 30% | 29% | 29 | 20% | 21% | 2,250 | 33% | 32% |
| Total | 100% | 127 | 100% | 100% | 7,432 | 100% | 100% | 142 | 100% | 100% | 6,938 | 100% | 100% |

Community Reinvestment Act Performance EvaluationMagna Bank, N.A., St. Louis, Missouri

HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1995 | | | | | | 1996 | | | | | |
|--------------------------|---------------|------------|-------------|-------------|--------------|-------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | *11% | 11 | 9% | 8% | 260 | 4% | 4% | 16 | 11% | 8% | 368 | 5% | 4% |
| Moderate | 18% | 25 | 20% | 20% | 992 | 13% | 13% | 24 | 17% | 19% | 884 | 13% | 12% |
| Middle | 24% | 30 | 23% | 32% | 1,712 | 23% | 27% | 35 | 25% | 31% | 1,415 | 21% | 26% |
| Upper | 38% | 43 | 34% | 36% | 3,086 | 41% | 50% | 61 | 43% | 37% | 4,047 | 58% | 51% |
| N/A | 0% | 18 | 14% | 4% | 1,382 | 19% | 6% | 6 | 4% | 5% | 224 | 3% | 7% |
| Total | *91% | 127 | 100% | 100% | 7,432 | 100% | 100% | 142 | 100% | 100% | 6,938 | 100% | 100% |

* Number reduced by 9%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

During 1996, the bank's origination of loans in LMI tracts and to LMI borrowers was consistent with its overall market share. Magna ranked 14th in lending to LMI tracts (1.6%) and 18th to LMI borrowers (1.0%). These rankings are only slightly better than the bank's overall 17th place ranking for HMDA originations.

Magna's penetration in all areas of the MSA is reasonable. During 1996, Magna originated at least one HMDA reportable loan in 81 of the 96 CTs (84%) in the MSA.

Please refer to the State of Illinois section of this Evaluation for a discussion regarding the bank's community development lending efforts and use of flexible or innovative loan products.

INVESTMENT TEST

Please refer to the State of Illinois section of this Evaluation for a description of the bank's qualifying investments which benefit this AA.

SERVICE TEST

Magna's services are reasonably accessible to all areas of the MSA. Magna's seven branches in this MSA are distributed as follows: two in moderate-income, two in middle-income, and three in upper-income tracts. For this MSA, one ATM is located in a moderate-income, three in middle-income, and two in upper-income tracts. Please refer to the service test in the State of Illinois section of this Evaluation for additional details regarding the bank's services in the MSA.

APPENDIX D

MSA # 7880 - SPRINGFIELD, IL

Description of Institution's operations in the MSA

Magna has defined its Springfield AA to be only that portion of the Springfield MSA located in Sangamon County. As a result, the bank has excluded that portion of the MSA is located in Menard County. Magna does not have any branches in Menard County. The bank's AA includes 41 of the 44 CTs (93%) in the MSA. The three CTs in Menard County (excluded by the bank) are all designated middle-income and represent 14% of the middle-income tracts located in the MSA. The total population of the bank's AA approximates 178,000 and represents 94% of the population of the MSA. This 178,000 figure represents 5% of the total population included in the bank's combined AA. HUD's 1997 estimated median family income for the MSA is \$49,900. The following chart summarizes the demographic data of the bank's AA:

Demographic Information

| Income Level | Census Tracts | | Families Designated | |
|-----------------|---------------|-------------|---------------------|-------------|
| | # | % of AA | # | % of AA |
| Low-Income | 4 | 10% | 8,783 | 19% |
| Moderate-Income | 7 | 17% | 8,568 | 18% |
| Middle-Income | 19 | 46% | 12,571 | 26% |
| Upper-Income | 11 | 27% | 17,790 | 37% |
| Total | 41 | 100% | 47,712 | 100% |

The above demographic information includes 3,429 families (7% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, \$152 million of the bank's deposits, or 3%, were from this AA. Magna serves its AA through a network of three branches and two ATMs. This represents 3% of Magna's total branches and 2% of ATMs.

LENDING TEST

Magna has originated a significant volume of consumer, small business, and HMDA reportable loans within the AA. The distribution of these lending efforts across the various geographies and to borrowers of different income levels is good.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Consumer Lending

During 1995 and 1996, Magna originated a reasonable volume of consumer loans within the AA. As demonstrated in the following tables, the distribution of Magna's loans to borrowers of varying income levels is excellent. Magna makes a significantly larger percentage of its loans to LMI individuals in relation to the percentage of LMI individuals within the AA. The distribution of Magna's lending efforts across the various geographies is adequate, as the bank's percentage of loans in LMI areas is below the demographic percentage.

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|------|------|---------|------|
| | | # | % | \$ 000s | % |
| Low | * 12% | 138 | 19% | 961 | 11% |
| Moderate | 18% | 193 | 27% | 1,928 | 21% |
| Middle | 26% | 148 | 21% | 1,866 | 21% |
| Upper | 37% | 190 | 27% | 3,462 | 38% |
| N/A | 0% | 46 | 6% | 788 | 9% |
| Total | * 93% | 715 | 100% | 9,005 | 100% |

* Number reduced by 7%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Consumer Loans by Geography

| Income Level of CT | % of Families Living in CT | 1995 | | | | 1996 | | | |
|--------------------|----------------------------|------|------|---------|------|------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 5% | 97 | 13% | 856 | 11% | 18 | 3% | 148 | 2% |
| Moderate | 14% | | | | | 62 | 9% | 660 | 7% |
| Middle | 49% | 389 | 52% | 3,920 | 52% | 375 | 52% | 4,337 | 48% |
| Upper | 32% | 262 | 35% | 2,775 | 37% | 260 | 36% | 3,860 | 43% |
| Total | 100% | 748 | 100% | 7,551 | 100% | 715 | 100% | 9,005 | 100% |

Small Business Lending

Magna's origination of small business loans demonstrates adequate responsiveness to the credit needs of small businesses. During 1996, Magna originated 167 loans to small businesses for a total of \$14.9 million. This represented 7% of the number of small business loans reported by the market in the AA and 9% of the dollar amount.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

As shown in the following table, the bank's penetration in LMI areas is reasonable. The percentage of loans originated in low-income tracts is above both the demographic and market figure. However, the percentage of loans in moderate-income tracts is below both the demographic and market figure. By originating 92% of its loans to small businesses in amounts of \$250,000 or less, Magna demonstrated responsiveness to the need for small loans. Magna makes a lower percent of its small business loans to businesses with revenues of \$1 million or less (44%) than the percent these businesses make up in the AA (71%). The bank's figure in this regard does, however, equate to the distribution figure for the overall market (43%).

Loans to Small Businesses - 1996

| Income Level of CT | % of Businesses Located in CT | Number of Loans | | | Dollar Volume | | |
|--------------------|-------------------------------|-----------------|--------|-------|---------------|--------|-------|
| | | # | Bank % | MKT % | \$ 000s | Bank % | MKT % |
| Low | 4% | 11 | 7% | 5% | 490 | 3% | 5% |
| Moderate | 22% | 22 | 13% | 28% | 4,034 | 27% | 22% |
| Middle | 47% | 60 | 36% | 36% | 4,718 | 32% | 34% |
| Upper | 27% | 74 | 44% | 31% | 5,692 | 38% | 39% |
| Total | 100% | 167 | 100% | 100% | 14,934 | 100% | 100% |

Mortgage Lending

During 1995 and 1996, Magna displayed responsiveness to the real estate-related credit needs of the MSA. During 1995, Magna originated the seventh largest number of HMDA reportable loans, with a 4% share of the market, by originating 297 loans for a total of \$26 million. In 1996, the bank dropped to tenth place (4% of total originations) by making 314 loans totaling \$19 million.

Magna's penetration in LMI areas of the MSA and to LMI borrowers is excellent. This is demonstrated in the following two tables which show the distribution of the bank's lending efforts by the different geographies and income levels of the borrower. The bank penetrated LMI tracts at a significantly greater percentage than these tracts represent in the entire AA in both 1995 and 1996. In terms of lending to borrowers of different income levels, the bank exceeded the demographic figure for moderate-income individuals and approximated the adjusted low-income figure in 1996.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

HMDA Originations by Geography

| Income Level of CT | % of OOH | 1995 | | | | | | 1996 | | | | | |
|--------------------|----------|------|------|------|---------|------|------|------|------|------|---------|------|------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | 3% | 38 | 13% | 3% | 6,985 | 27% | 2% | 26 | 8% | 3% | 631 | 3% | 1% |
| Moderate | 12% | 56 | 19% | 11% | 2,748 | 11% | 6% | 64 | 20% | 9% | 2,546 | 13% | 5% |
| Middle | 52% | 120 | 40% | 49% | 8,426 | 32% | 39% | 137 | 44% | 48% | 7,533 | 39% | 39% |
| Upper | 33% | 83 | 28% | 37% | 7,927 | 30% | 53% | 87 | 28% | 40% | 8,747 | 45% | 55% |
| Total | 100% | 297 | 100% | 100% | 26,068 | 100% | 100% | 314 | 100% | 100% | 19,457 | 100% | 100% |

HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1995 | | | | | | 1996 | | | | | |
|--------------------------|---------------|------|------|------|---------|------|------|------|------|------|---------|------|------|
| | | # | % | MKT | \$ 000s | % | MKT | # | % | MKT | \$ 000s | % | MKT |
| Low | *12% | 13 | 4% | 10% | 428 | 2% | 5% | 27 | 9% | 8% | 777 | 4% | 4% |
| Moderate | 18% | 62 | 21% | 22% | 3,253 | 12% | 14% | 87 | 28% | 22% | 3,560 | 18% | 14% |
| Middle | 26% | 70 | 24% | 27% | 4,266 | 16% | 23% | 57 | 18% | 27% | 3,241 | 17% | 23% |
| Upper | 37% | 133 | 45% | 37% | 15,613 | 60% | 53% | 107 | 34% | 39% | 6,435 | 33% | 52% |
| N/A | 0% | 19 | 6% | 4% | 2,526 | 10% | 5% | 36 | 11% | 4% | 5,444 | 28% | 7% |
| Total | *93% | 297 | 100% | 100% | 26,086 | 100% | 100% | 314 | 100% | 100% | 19,457 | 100% | 100% |

* Number reduced by 7%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

During 1996, Magna's origination of loans in LMI areas was better than its overall share of the market, while its lending to LMI borrowers was consistent with the bank's market share (11th highest). Magna originated the 3rd largest share of loans in LMI areas and 11th largest to LMI borrowers.

Magna's penetration in all areas of the AA is very good. During 1996, Magna originated HMDA reportable loans in 40 of the 41 CTs (98%) in the bank's AA.

Please refer to the State of Illinois section of this Evaluation for a discussion regarding the bank's community development lending efforts and use of flexible or innovative loan products.

INVESTMENT TEST

Please refer to the State of Illinois section of this Evaluation for a description of the bank's qualifying investments, which benefit this AA.

SERVICE TEST

Magna's services are reasonably accessible to all areas of the MSA. Magna's three branches in this MSA are located in moderate-income, middle-income and upper-income tracts. The two Magna ATMs in this MSA are located in middle-income and upper-income tracts. Please refer to the service test in the State of Illinois section of this Evaluation for additional details regarding the bank's services in the MSA.

APPENDIX E NON-MSA ASSESSMENT AREAS

Description of Institution's Operations in the Non-MSA

Magna's AA includes an area that is not located in an MSA. This area consists of all or parts of the following counties in south-central Illinois: Franklin, Jackson, Jefferson, Johnson, Logan, Marion, Randolph, Washington, and Williamson. In aggregate, this area contains 52 BNAs and a population of approximately 197,000. This population represents approximately 6% of the total population served by the bank. The following chart summarizes the demographic data for this AA:

Demographic Information

| Income Level | BNAs | | Families Designated | |
|-----------------|-----------|-------------|---------------------|-------------|
| | # | % of AA | # | % of AA |
| Low-Income | 2 | 4% | 11,069 | 22% |
| Moderate-Income | 10 | 19% | 9,056 | 18% |
| Middle-Income | 36 | 69% | 11,004 | 22% |
| Upper-Income | 4 | 8% | 19,197 | 38% |
| Total | 52 | 100% | 50,326 | 100% |

The above demographic information includes 6,135 families (12% of the total families) with incomes below poverty level. Families with incomes below the poverty level are generally not considered to have sufficient income to qualify for credit. As a result, we have reduced the percent of low-income families which may qualify for bankable credit to 11% in the demographic information used in our analysis. It is duly noted in each applicable table going forward.

As of December 31, 1996, \$509 million of the bank's deposits, 11%, were from this AA. Magna serves the needs of this AA through a network of 15 branches, 9 ATMs, and 1 ALM. These figures represent 14% of the bank's total branches, 8% of ATMs, and 50% of ALMs.

LENDING TEST

Magna has generated a good volume of consumer, small business, and HMDA reportable loans in this area. The distribution of these lending efforts is reasonable.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Consumer Lending

During 1995 and 1996, Magna originated a good volume of consumer loans in the non-MSA segments of its AA. The bank's penetration by geography and income level of the borrower is good. The bank's figures approximate the demographic percentages.

Consumer Loans by Geography

| Income Level of BNA | % of Families Living in BNA | 1995 | | | | 1996 | | | |
|---------------------|-----------------------------|-------|------|---------|------|-------|------|---------|------|
| | | # | % | \$ 000s | % | # | % | \$ 000s | % |
| Low | 2% | 330 | 14% | 2,253 | 11% | 16 | 1% | 162 | 1% |
| Moderate | 16% | | | | | 353 | 14% | 3,529 | 12% |
| Middle | 73% | 1,893 | 78% | 16,409 | 81% | 2,062 | 79% | 23,164 | 81% |
| Upper | 9% | 185 | 8% | 1,539 | 8% | 177 | 7% | 1,862 | 6% |
| Total | 100% | 2,408 | 100% | 20,201 | 100% | 2,608 | 100% | 28,717 | 100% |

Consumer Loans by Borrower Income Level

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|-------|------|---------|------|
| | | # | % | \$ 000s | % |
| Low | * 10% | 308 | 12% | 1,800 | 6% |
| Moderate | 18% | 435 | 17% | 3,465 | 12% |
| Middle | 22% | 569 | 22% | 5,289 | 18% |
| Upper | 38% | 1085 | 41% | 15,088 | 53% |
| N/A | 0% | 211 | 8% | 3,075 | 11% |
| Total | * 88% | 2,608 | 100% | 28,717 | 100% |

* Number reduced by 12%, representing percentage of total families that have income levels below the poverty level and may not qualify for bankable credit.

Small Business Lending

Magna demonstrated good responsiveness to the small business needs of the AA during 1996. Magna originated a significant portion of the small business loans reported in the AA. They originated 686 small business loans totaling \$54 million, which represented 42% of the number and 79% of the dollar amount reported in the AA.

As demonstrated in the following tables, the bank's distribution of these lending efforts across the different geographies is adequate. The bank did, however, make a larger percentage of loans in middle-income and upper-income BNAs than there are businesses located in these BNAs. The bank's percentage of loans to small businesses with revenues of \$1 million or less (57%) is less than the percentage that these businesses represent in the total (75%). The bank does, however, make 92% of the number of its loans in amounts under \$250,000, indicating responsiveness to the need for small loans.

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

Loans to Small Businesses - 1996

| Income Level of BNA | % of Businesses Located in BNA | # | % | \$ 000s | % |
|---------------------|--------------------------------|------------|-------------|---------------|-------------|
| Low | 3% | 13 | 2% | 904 | 2% |
| Moderate | 24% | 69 | 10% | 6,879 | 13% |
| Middle | 67% | 513 | 75% | 34,625 | 64% |
| Upper | 6% | 91 | 13% | 11,495 | 21% |
| Total | 100% | 686 | 100% | 53,903 | 100% |

Mortgage Lending

During 1996, Magna showed good responsiveness to the AA's need for mortgage-related loans. During 1996, Magna originated 515 HMDA reportable loans totaling \$23 million. The bank's distribution of its mortgage lending efforts shows good penetration across the various geographies and adequate penetration across income levels of borrowers. The lending distribution across the various levels of BNAs is consistent with the percentage of owner-occupied housing units (OOH) contained in each BNA. However, Magna made a lower percentage of loans to LMI borrowers than LMI families represent in the area. This is detailed in the following tables:

HMDA Originations by Geography

| Income Level of BNA | % of OOH | 1996 | | | |
|---------------------|-------------|------------|-------------|---------------|-------------|
| | | # | % | \$ 000s | % |
| Low | 1% | 9 | 2% | 700 | 3% |
| Moderate | 16% | 68 | 13% | 2,452 | 10% |
| Middle | 74% | 393 | 76% | 17,165 | 74% |
| Upper | 9% | 45 | 9% | 2,991 | 13% |
| Total | 100% | 515 | 100% | 23,308 | 100% |

Community Reinvestment Act Performance Evaluation

Magna Bank, N.A., St. Louis, Missouri

HMDA Originations by Borrower

| Income Level of Borrower | % of Families | 1996 | | | |
|--------------------------|---------------|------------|-------------|---------------|-------------|
| | | # | % | \$ 000s | % |
| Low | * 10% | 49 | 10% | 699 | 3% |
| Moderate | 18% | 59 | 11% | 1,454 | 6% |
| Middle | 22% | 143 | 28% | 4,232 | 18% |
| Upper | 38% | 224 | 43% | 12,595 | 54% |
| N/A | 0% | 40 | 8% | 4,328 | 19% |
| Total | * 88% | 515 | 100% | 23,308 | 100% |

* Number reduced by 12%, representing percentage of families that have income levels below the poverty level and may not qualify for bankable credit.

Magna's penetration in all areas of its AA is very good. During 1996, Magna reported HMDA loans in 50 of the 52 (96%) geographies in this AA.

Please refer to the State of Illinois section of this Evaluation for a discussion regarding the bank's community development lending efforts and use of flexible or innovative loan products.

INVESTMENT TEST

Please refer to the State of Illinois section of this Evaluation for a description of the bank's qualifying investments which benefit this AA.

SERVICE TEST

Magna's services are reasonably accessible to all areas of the MSA. Magna's 15 branches in this area are broken out as follows: 3 in moderate-income, 11 in middle-income, and 1 in upper-income tracts. Magna's 9 ATMs in this area are distributed as follows: 4 in moderate-income, 4 in middle-income, and 1 in upper-income tracts. Please refer to the service test in the State of Illinois section of this Evaluation for additional details regarding the bank's services in the MSA.

APPENDIX F ADDITIONAL INFORMATION

Magna has branches in five MSAs. HMDA data is available to the public by contacting the following organizations:

Bloomington-Normal, IL MSA # 1040

Tracey Covert
Office of the City Clerk
City of Bloomington
109 East Olive Street
P.O. Box 3157
Bloomington, IL 61702-3157
309-434-2240
309-434-2802 (fax)

Decatur, IL MSA # 2040

Debora Bean
Department of Community Development
One Gary K. Anderson Parkway
Decatur, IL 62523
217-424-2778
217-424-2799 (fax)

Peoria-Pekin, IL MSA # 6120

Michael Brillhart
Director of Planning
Tri-Cty. RPC
E. Peoria Professional Building
100 N. Main Street, Suite 301
E. Peoria, IL 61611-2533
309-694-9330

St. Louis, MO-IL MSA # 7040

Kathryn Mack
East-West Gateway Coordinating Council
10 Stadium Plaza
St. Louis, MO 64501
314-421-4220 (MO)
618-274-2750 (IL)
314-231-6120 (fax)

Springfield, IL MSA # 7880

Mark Gordon, Director
Attention: Jan Johnson
Department of Community and
Economic Development
231 South 6th Street
Springfield, IL 62701
217-789-2401
217-789-2380 (fax)