

PUBLIC DISCLOSURE

April 15, 1996

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**Lindell Bank and Trust Company
RSSD #185859**

P.O. Box 211

St. Louis, Missouri 63166-0211

Federal Reserve Bank of St. Louis

P.O. Box 442

St. Louis, Missouri 63166-0442

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

Reserve concerning the safety and soundness of this financial institution.

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 the **Lindell Bank and Trust Company** prepared by the Federal Reserve System, the institution's supervisory agency, as of April 15, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 228.*

INSTITUTION'S CRA RATING: *This institution is rated Satisfactory .*

Lindell Bank and Trust Company meets the standards for a satisfactory CRA performance rating. The bank's loan-to-deposit ratio is reasonable when examined in the context of its operating environment. It extends a substantial majority of loans within its assessment area, and in doing so it lends to borrowers with different incomes, and businesses of different sizes. In addition, its loans are reasonably dispersed throughout the assessment area.

The following table indicates the performance level of Lindell Bank and Trust Company with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	LINDELL BANK AND TRUST COMPANY PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in the Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans		X	
Response to Complaints	No complaints have been received since the previous examination.		

DESCRIPTION OF THE INSTITUTION

Lindell Bank and Trust Company is a \$129 million commercial bank located in St. Louis, Missouri, owned by First Illinois Bancorp, Incorporated, which is a two-bank holding company located in East St. Louis, Illinois. As of December 31, 1995, this holding company reported total assets of \$195 million. The bank has three business locations including its main office, all of which are located in the City of St. Louis. In addition to the main office located at 6900 Clayton Avenue, branches are located at 2745 Grand Avenue and 3921 Hampton Avenue. The bank=s two primary credit products are small business loans and loans to purchase one-to-four family residential properties.

Competition in the assessment area includes 25 other financial institutions, 23 of which are commercial banks, one of which is a savings and loan association, and

one of which is a federal savings bank. The competitor institutions= total assets range from \$42 million to \$11 billion.

DESCRIPTION OF THE BANK'S ASSESSMENT AREA

Management defined the bank=s assessment area as St. Louis City and St. Louis County, which are included in MSA 7040. According to 1990 Bureau of Census data, the assessment area consists of 269 census tracts, 113 of which are within the City of St. Louis and 156 of which are within St. Louis County. The number and type of each census tract is shown below:

**Table 1
Census Tract Information**

Tract Type	# of Tracts	Percent of Total
Low Income	43	15.9
Moderate Income	55	20.5
Middle Income	102	37.9
Upper Income	69	25.7

Per 1990 Census data, the City of St. Louis reported a population of 396,685 and St. Louis County reported 1,390,214. The MSA median family income is \$37,995. Based on this figure, 19.4 percent of the families are low-income, 17.7 percent are moderate-income, 24.8 percent are middle-income, and 38.2 percent are upper income. A total of 37 percent of the families in the MSA are low- or moderate-income.

Service-related industries are the biggest employers within both St. Louis City and St. Louis County; these industries employ almost 34 percent of the workforce. Manufacturing and retail trade also employ 18 percent and 17 percent of the area=s workforce, respectively.

Per 1990 Census data, there were 596,758 housing units within the assessment area. Of those housing units, 59.5 percent were owner-occupied, 31.8 percent were renter-occupied, and 8.7 percent were vacant. Eighty percent of the structures are one-to-four family, 19 percent are five or more unit structures, and the

remaining 1 percent are mobile homes.

CONCLUSIONS WITH RESPECT TO THE PERFORMANCE CRITERIA:

Loan-to-Deposit Ratio

The bank=s loan-to-deposit ratio is adequate. The past six-quarter average (from 9/30/94 to 12/31/95) is 57.3 percent. Competitor loan-to-deposit ratios, as of December 31, 1995, range from 56.3 percent to 104.2 percent. Despite the bank=s loan-to-deposit ratio falling in the lower quartile when compared to its defined competitors, its ratio compares favorably to that of competitors of similar asset size. Two commercial banks with asset sizes within \$25 million of the bank have ratios of 56.3 percent and 77.2 percent. The bank with the 56.3 percent ratio is within \$7 million in asset size of Lindell Bank and Trust.

Lending in the Assessment Area

Lindell Bank and Trust Company=s efforts to lend within its assessment area exceed the standards for satisfactory performance. As shown by Table 2 below, the percentage of loans within the assessment area ranged from 83.0 percent for small business loans to 92.5 percent for loans to purchase one-to-four family residential properties. In this case, the bank extended a substantial majority of loans within its assessment area, exceeding the satisfactory standard.

**Table 2
Number and Percent of Loans by Location**

Type	Sample Size	Inside	Percent	Outside	Percent
Small Business	53	44	83.0%	9	17.0%
One-to-Four Family Residential	40	37	92.5%	3	7.5%

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

The bank=s record of lending to borrowers of different income levels is adequate, and it represents a reasonable penetration among different income levels. As shown by Table 3 below, seven of 34, or 20.6 percent, of the loans for the purchase of one-to-four family residential properties were made to customers with low- and

moderate-income, based on the median family income of \$37,995 for the MSA.¹

**Table 3
Loans by Percent of MSA Family Median Income**

Type	Low 0<50%	Moderate 50%<80%	Middle 80%<120%	Upper >120%
One-to-Four Family Residential	2	5	5	22

The bank's record of lending to small businesses is very good. From the sample of small business loans, 64.1 percent of loans originated within the past 12 months were to businesses with gross annual revenues of less than \$400 million. This is summarized by Table 4.

**Table 4
Small Business Revenues (in 000s)**

Type	\$0 to<\$200	\$200 to<\$400	\$400 to<\$600	\$600 to<\$800	\$800 to \$1,000
Small Business	22	12	1	5	13

¹Six of the original sample of 40 one-to-four family residential mortgages were included in Table 2 but not in Table 3. The six loans were not included in Table 3 because the loans were extended to businesses (primarily for rehabilitation and resale).

Geographic Distribution of Loans

The bank's geographic distribution of loans is adequate, as summarized in the following tables. In this analysis, either the small business itself is located in a low- and moderate-income census tract, or the property purchased by the business or consumer is located in such a tract.

**Table 5
Small Business Loans**

Tract Type	# Loans	Percent	Loans in 000s	Percent
Low	17	32.1%	\$366	23.9%
Moderate	12	22.6%	\$342	22.4%
Middle	13	24.5%	\$502	32.8%
Upper	2	3.8%	\$37	2.4%
Outside	9	17.0%	\$282	18.4%

**Table 6
One-to-Four Family Residential Purchase Loans**

Tract Type	# Loans	Percent	Loans in 000s	Percent
Low	3	7.5%	\$36	2.2%
Moderate	16	40.0%	\$372	13.4%
Middle	13	32.5%	\$97	23.1%
Upper	5	12.5%	\$178	42.6%
Outside	3	7.5%	\$166	18.7%

Review of Complaints

There have been no complaints since the previous examination related to the bank's CRA performance.

Record of Compliance with Anti-discrimination Laws

The examination included a review of the bank's compliance with fair lending laws and regulations. During this review, no violations of a substantive nature were identified.