

CPP ANNUAL USE OF CAPITAL SURVEY - 2013

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Business Bancshares Inc./The Business Bank of St. Louis

Person to be contacted regarding this report:	Brian J. Leeker, CFO	RSSD: (For Bank Holding Companies)	3189728
UST Sequence Number:	1077	Holding Company Docket Number: (For Thrift Holding Companies)	N/A
CPP/CDCI Funds Received:	15,750,000	FDIC Certificate Number: (For Depository Institutions)	57358
CPP/CDCI Funds Repaid to Date:	15,750,000	Credit Union Charter Number: (For Credit Unions)	N/A
Date Funded (first funding):	April 24, 2009	City:	Saint Louis
Date Repaid ¹ :	April 24, 2013	State:	Missouri

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The organization suffered a \$5.8 million net loss during 2010. Without the benefit of the CPP Capital, the organization would have needed to reduce lending over the last five years.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The company continued to carry an increased amount of investment securities during the period it owned CPP, improving the overall liquidity position of the organization.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The CPP Capital allowed the organization to operate with appropriate capital levels, without having to raise capital at a high cost during the economic crisis.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The organization was able to avoid several actions which would have been detrimental to the long-term outlook of the organization. The company would have had to address the need for capital either by raising additional capital in a less than optimal time or been forced to dramatically reduce the size of its loan portfolio. Neither option would have been to the long-term benefit of the organization and would have resulted in a reduction in force at the company.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

The organization has been able to continue to lend money to qualified borrowers during this difficult economic time. The additional capital provided by the CPP has allowed the organization to actively pursue business and plan for the future growth of the organization. Without the CPP funds, we would have had to actively reduce the size of the loan portfolio.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.