

St. Louis Equal Housing and Community Reinvestment Alliance

c/o EHOc · 1027 S. Vandeventer Avenue, 6th floor · St. Louis, MO · 63110 · www.slehkra.org

Liberty Bank

Alton, IL

- Assets of \$286 million, as of Sept. 30, 2010
- Owned by Liberty Bancshares, a one-bank holding company in Alton, IL
- Regulated by the FDIC Chicago office as a Small Bank.
- Satisfactory rating on last CRA performance evaluation in 2009.
 - Lending to low- and moderate-income borrowers is considered reasonable despite being below both aggregate and demographic percentages.
- Primarily a commercial lender
- Assessment Area: 22 census tracts in Madison County.
 - Zero low-income, 13 moderate-income, 8 middle-income, and one upper-income census tract.
- Four locations in Madison County:

Branch	Address	City, State, Zip	Census Tract	Income Level	Minority Population
Alton	2403 Homer Adams Pkwy	Alton, IL 62002	4020	Moderate	28.33%
Godfrey	2711 Godfrey Road	Godfrey, IL 62035	4027.01	Middle	10.61%
Godfrey - Rt. 67	3112 Godfrey Road	Godfrey, IL 62035	4027.21	Middle	6.26%
Bethalto	333 W. Bethalto Dr.	Bethalto, IL 62010	4017.22	Middle	2.20%

HMDA data:

- Decreasing volume of lending over the last three years.
- In last three years, 72.15% of loans originated within Assessment Area.
- 2.53% of loans originated to African Americans, about the same as the aggregate in Madison County. There have been no loans originated to Asian borrowers, and only one to a Hispanic borrower in the last three years. Compared to demographics, 7.3% of population is African-American, 0.59% Asian, and 1.5% Hispanic. Market penetration to African-American borrowers is low.
- Denial rates for African Americans are high. African Americans are 2.19 times more likely to be denied than a white borrower over the last three years. Their denial rates have been higher than white borrowers in all three years.
- Lending to low- and moderate-income borrowers is below aggregate lending and demographics, with 7.59% originated to low-income borrowers and 13.61% to moderate-income borrowers. The aggregate lending is 10.16% and 21.21% for low- and moderate-income borrowers. According to FDIC, 25 percent of families in Liberty Bank's assessment area are low-income, 21 percent are moderate-income, 25 percent are middle-income, and 30 percent are upper-income.
- Lending to low- and moderate-income geographies is reasonable, with 43% of loans originated to moderate-income geographies. There are no low-income geographies in the bank's assessment area. This percentage is above the aggregate lending, but has been decreasing since 2007. The last CRA exam notes that 49% of owner occupied housing units are within moderate-income tracts, and the bank's lending is below that benchmark.

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<i>Borrower Characteristics</i>		ORIGINATIONS								
Race/Ethnicity		2009		2008		2007		Three Year Total		Madison County aggregate
		#	%	#	%	#	%	#	%	
Total		71		84		161		316		
	White	64	90.14%	80	95.24%	134	83.23%	278	87.97%	89.02%
	Black	2	2.82%	1	1.19%	5	3.11%	8	2.53%	2.30%
	Asian	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0.61%
	Other	5	7.04%	3	3.57%	22	13.66%	30	9.49%	8.08%
	Hispanic	1	1.41%	0	0.00%	0	0.00%	1	0.32%	1.16%

<i>Borrower Characteristics</i>		Denials and Denial Rates							
Race/Ethnicity		2009		2008		2007		Three Year Total	
		Number of Denials	Denial Rate	#	%	#	%	#	%
Total									
	White	12	14.63%	16	16.16%	120	40.27%	148	30.90%
	Black	1	33.33%	3	75.00%	19	70.37%	23	67.65%
	Asian	0	0.00%	0	0.00%	0	0.00%	0	0.00%
	Other	2	28.57%	0	0.00%	0	0.00%	2	6.06%
	Hispanic	0	0.00%	0	0.00%	2	100.00%	2	66.67%

<i>Borrower Characteristics</i>		ORIGINATIONS								
Income Characteristics		2009		2008		2007		Three Year Total		Madison County aggregate
		#	%	#	%	#	%	#	%	
Total		71		84		161		316		
	Low	5	7.04%	6	7.14%	13	8.07%	24	7.59%	10.16%
	Moderate	13	18.31%	9	10.71%	21	13.04%	43	13.61%	21.21%
	Middle	9	12.68%	23	27.38%	42	26.09%	74	23.42%	24.57%
	Upper	37	52.11%	46	54.76%	75	46.58%	158	50.00%	37.07%
	NA	7	9.86%	0	0.00%	10	6.21%	17	5.38%	6.99%

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<i>Census tract characteristics</i>	ORIGINATIONS								
	2009		2008		2007		Three Year Total		Madison County Aggregate
	#	%	#	%	#	%	#	%	
Total	71		84		161		316		
Racial Composition									
< 10% Minority	35	49.30%	49	58.33%	97	60.25%	181	57.28%	76.16%
10-19% Minority	14	19.72%	13	15.48%	23	14.29%	50	15.82%	18.53%
20-49% Minority	15	21.13%	14	16.67%	20	12.42%	49	15.51%	3.77%
50-79% Minority	5	7.04%	6	7.14%	18	11.18%	29	9.18%	1.35%
80-100% Minority	2	2.82%	2	2.38%	0	0.00%	4	1.27%	0.07%
Income characteristic									
Low-Income	1	1.41%	0	0.00%	1	0.62%	2	0.63%	0.08%
Moderate-Income	28	39.44%	33	39.29%	75	46.58%	136	43.04%	17.26%
Middle-Income	35	49.30%	47	55.95%	72	44.72%	154	48.73%	56.72%
Upper-Income	7	9.86%	4	4.76%	10	6.21%	21	6.65%	25.83%
NA	0	0.00%	0	0.00%	3	1.86%	3	0.95%	0.10%