



## **BUSINESS BANCSHARES, INC.**

### **BUSINESS BANCSHARES, INC. AND THE BUSINESS BANK OF ST. LOUIS ANNOUNCE SECOND QUARTER 2013 EARNINGS YEAR-TO-DATE NET INCOME AVAILABLE TO COMMON SHAREHOLDERS INCREASED 63%**

St. Louis, MO., August 19, 2013 – Business Bancshares, Inc., parent holding company for The Business Bank of St. Louis, and The Business Bank of St. Louis today announced second quarter 2013 financial results.

Business Bancshares, Inc. reported net income of \$994 thousand for the first quarter of 2013 compared to net income of \$958 thousand for the same time period a year ago. Net income available to common shareholders increased 24% to \$970 thousand from \$784 thousand for the second quarter of 2012. Earnings per common share increased to \$0.45 per share from \$0.37 in the year ago quarter. Year-to-date net income increased 29% to \$1.862 million from the first half of 2012, while year-to-date net income available to common shareholders increased 63% to \$1.737 million.

The Company reported total assets as of June 30, 2013 of \$535 million, an increase of \$48 million when compared to June 30, 2012. Net loans increased \$48 million, or 13% during the same period. Total shareholders' equity is \$40.6 million, a decrease of \$7.3 million from a year earlier as the Company repaid the remaining investment made in the organization by the U.S. Treasury. The final payment of \$7.25 million was made to the U.S. Treasury on April 24<sup>th</sup>, 2013. Common Shareholders' Equity increased \$2.4 million from a year earlier to \$40.6 million. Capital ratios are significantly above the "well-capitalized" thresholds. Nonperforming assets as a percentage of total assets declined to 2.91%, compared to 4.15%, twelve months earlier.

"Quality business development continues to be the primary focus of the organization, as evidenced by our nearly \$50 million of loan growth over the last twelve months" said Larry Kirby, Chief Executive Officer and President of Business Bancshares Inc. and The Business Bank of St. Louis.

The Business Bank of St. Louis, the primary subsidiary of Business Bancshares, Inc., reported net income for the second quarter of 2013 of \$1.0 million, compared to \$1.1 million during the second quarter of 2012. Year-to-date net income increased 15.5% to \$2.1 million compared to \$1.8 million during the first half of 2012. Nonperforming assets as a percentage of total assets declined to 2.89% at June 30, 2013 from 3.65% at June 30, 2012.

"Our strong second quarter reflects the execution of our plans to increase profitability and grow the organization," said Charles Thal, Chairman of The Business Bank of St. Louis.

Business Bancshares, Inc. is a single bank holding company and parent of The Business Bank of St. Louis. The Business Bank was founded in 2002 and operates a full service banking facility from its single location at 8000 Maryland Avenue in Clayton, Missouri.

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**Financial Highlights - Business Bancshares, Inc.**  
(In Thousands of Dollars, Except Per Share Data)

	As Of		Change	
	6/30/2013	6/30/2012	\$	%
<b>Balance Sheet Data</b>				
Total Assets	\$534,893	\$487,287	\$47,606	9.77%
Net Loans	408,431	360,922	47,509	13.16%
Total Deposits	447,376	399,435	47,941	12.00%
Total Shareholders' Equity	40,602	47,941	(7,339)	-15.31%
Common Shareholders' Equity	40,602	38,191	2,411	6.31%
Book Value Per Common Share	\$18.76	\$17.64	\$1.12	6.35%
Common Shares Outstanding	2,164,664	2,164,664		
<b>Capital Ratios</b>				
Tier 1 Risk-based Capital	11.17%	14.32%		
Total Risk-based Capital	12.43%	15.58%		
Leverage Ratio	10.12%	12.09%		
<b>Asset Quality</b>				
Nonperforming Loans to Total Loans	2.17%	4.00%		
Nonperforming Assets to Total Assets	2.91%	4.15%		

	Quarter-To-Date		Change		Year-To-Date		Change	
	6/30/2013	6/30/2012	\$	%	6/30/2013	6/30/2012	\$	%
Net Income	\$994	\$958	\$36	3.76%	\$1,862	\$1,443	\$419	29.04%
Net Income Available to Common Shareholders	970	784	186	23.72%	1,737	1,065	672	63.10%
Diluted Earnings Per Common Share (EPS)	\$0.45	\$0.37	\$0.08	21.62%	\$0.80	\$0.50	\$0.30	60.00%
<b>Performance Ratios</b>								
Return on Average Assets	0.77%	0.79%			0.74%	0.59%		
Return on Average Common Equity	9.52%	8.23%			8.64%	5.67%		
Net Interest Margin	3.19%	3.85%			3.25%	3.62%		
Efficiency Ratio	70.96%	62.26%			70.70%	63.04%		

**Financial Highlights - The Business Bank of St. Louis**  
(In Thousands of Dollars)

	As Of		Change	
	6/30/2013	6/30/2012	\$	%
<b>Balance Sheet Data</b>				
Total Assets	\$533,721	\$483,072	\$50,649	10.48%
Net Loans	408,431	359,644	48,787	13.57%
Total Deposits	448,813	400,511	48,302	12.06%
Total Shareholders' Equity	51,919	54,174	(2,255)	-4.16%
<b>Capital Ratios</b>				
Tier 1 Risk-based Capital	11.26%	13.23%		
Total Risk-based Capital	12.52%	14.49%		
Leverage Ratio	10.22%	11.15%		
<b>Asset Quality</b>				
Nonperforming Loans to Total Loans	2.17%	3.65%		
Nonperforming Assets to Total Assets	2.89%	3.65%		

	Quarter-To-Date		Change		Year-To-Date		Change	
	6/30/2013	6/30/2012	\$	%	6/30/2013	6/30/2012	\$	%
Net Income	\$1,020	\$1,125	(\$105)	-9.33%	\$2,063	\$1,786	\$277	15.51%
<b>Performance Ratios</b>								
Return on Average Assets	0.80%	0.94%			0.82%	0.74%		
Return on Average Equity	7.72%	7.84%			7.70%	6.14%		
Net Interest Margin	3.37%	4.04%			3.43%	3.80%		
Efficiency Ratio	66.93%	58.70%			66.36%	59.13%		