BUSINESS BANCSHARES, INC.

FOR IMMEDIATE RELEASE

BUSINESS BANCSHARES, INC. ANNOUNCES
SECOND QUARTER RESULTS

St. Louis, Mo., August 1, 2008 – Business Bancshares, Inc., parent holding company for The Business Bank of St. Louis, announced second quarter 2008 financial results.

Total assets as of June 30, 2008 were $481 million, an increase of $31 million when compared to June 30, 2007. During the same twelve month period, loans grew by approximately $14 million, and deposits grew by $44 million. Shareholders' equity is $39 million, up over $2 million as compared to the same time last year. Book value per share at the end of the second quarter of 2008 is $19.28, down $0.56 from one year ago. Capital ratios remain well above the 'well-capitalized' thresholds. Nonperforming assets as a percentage of total assets is 3.95%, up from 2.06%, twelve months earlier.

The Company earned $438,000 during the second quarter of 2008. Return on average assets was 0.36% and return on average equity was 4.40%.

"Profitability for the second half of 2008 has improved significantly over that of one year ago. However, overall performance continues to be adversely affected by credit quality issues and other economic factors. Management will remain heavily focused on the improvement of asset quality for the remainder of 2008. Aggressively addressing loan problems early can be detrimental to current performance, but that approach is clearly best for the Company's long-term outlook" said Dave Mishler, Chief Executive Officer and Vice Chairman of Business Bancshares, Inc.

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 one location at 8000 Maryland Avenue in Clayton, Missouri.

Financial Highlights

	6/30/08	6/30/07
Balance Sheet Data		
Total Assets	$480,712,000	$449,329,000
Net Loans	413,559,000	399,933,000
Total Deposits	420,259,000	376,524,000
Shareholders' Equity	39,480,000	37,362,000
Book Value Per Share	$19.28	$19.84
Shares Issued and Outstanding	2,047,642	1,883,092
Capital Ratios (The Business Bank of St. Louis)		
Tier 1 Risk-based Capital	10.90%	11.24%
Tier 2 Risk-based Capital	12.16%	12.75%
Leverage Ratio	9.93%	10.36%
Asset Quality		
Nonperforming Loans to Total Loans	3.65%	1.16%
Nonperforming Assets to Total Assets	3.95%	2.06%

	Quarter Ended 6/30/08	Six Months Ended 6/30/08
Net Earnings	$438,000	$1,043,000
Diluted Earnings Per Share (EPS)	$0.21	$0.50
Performance Ratios		
Return on Average Assets	0.36%	0.44%
Return on Average Equity	4.40%	5.54%
Net Interest Margin	3.02%	3.10%
Efficiency Ratio	65.69%	61.15%

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