ALLEGIANT BANCORP INC/MO/
Form 10-K
January 30, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE YEAR ENDED DECEMBER 31, 2003
COMMISSION FILE NO. 000-10849

ALLEGIANT BANCORP, INC.
(Exact name of registrant as specified in its charter)

MISSOURI	43-1262037
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

10401 CLAYTON ROAD, ST. LOUIS, MISSOURI 63131
(Address of principal executive offices) (Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 314-692-8800

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: TRUST PREFERRED SECURITIES, $10 LIQUIDATION VALUE, ISSUED BY ALLEGIANT CAPITAL TRUST I
NAME OF EXCHANGE ON WHICH REGISTERED: AMERICAN STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: TRUST PREFERRED SECURITIES, $25 LIQUIDATION VALUE, ISSUED BY ALLEGIANT CAPITAL TRUST II; AND COMMON STOCK, $0.01 PAR VALUE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes [X] No [ ]

Aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2003: Common Stock, $0.01 par value, $274,925,353.

Number of shares outstanding of each of the registrant's classes of common stock, as of January 15, 2004: Common Stock, $0.01 par value, 17,556,921 shares outstanding.

DOCUMENT INCORPORATED BY REFERENCE	PART OF FORM 10-K

None	N/A

==

ANNUAL REPORT ON FORM 10-K
PART I

The terms "Allegiant," "company," "we," "our" and "corporation" as used in this report refer to Allegiant Bancorp, Inc. and its subsidiaries as a consolidated entity, except where it is made clear that it means only Allegiant. Also, sometimes we refer to our bank subsidiary, Allegiant Bank, as the "bank."

ITEM 1. BUSINESS

GENERAL

We are the largest publicly-held bank holding company headquartered in the St. Louis metropolitan area. Our principal subsidiary, Allegiant Bank, offers full-service banking and personal trust services to individuals, businesses and municipalities in our market area. These services include commercial real estate, commercial business and consumer loans, checking, savings and time deposit accounts and wealth management and other fiduciary services, as well as other financial services, including mortgage banking, securities brokerage and insurance products. As of December 31, 2003, we reported, on a consolidated basis, total assets of $2.5 billion, loans of $1.8 billion and shareholders' equity of $198.6 million.

On November 20, 2003, we reported that we had entered into an Agreement and Plan of Merger with National City Corporation (National City). Under the merger agreement and subject to its terms and conditions, we will merge with and into National City, with National City being the surviving corporation. In connection with the merger, at the election of the holder, each outstanding share of our common stock will be converted into the right to receive: (1) $27.25 in cash; (2) 0.833 shares of National City common stock; or (3) a combination of the two, subject to a reallocation of cash elections if Allegiant shareholders elect to receive more than 49% of the aggregate value of the merger consideration in cash. We currently anticipate the merger will close in late first quarter or early second quarter of 2004.

Our primary goal has been to expand our branch network in the St. Louis market while increasing our earnings per share. Since our inception in 1989, we have grown through a combination of internal growth and acquisitions. We have sought to maximize our internal growth opportunities by positioning Allegiant as one of the leading St. Louis community banks.

We have supplemented our internal growth with several acquisitions within our market area. Since 2000, we have completed a number of significant acquisitions, including: Equality Bancorp, Inc., a community-based thrift holding company with total assets of approximately $300.4 million, in November 2000; Southside Bancshares Corp., a community-based bank holding company with total assets of approximately $804.9 million, in September 2001; and five branches from Guardian Savings Bank with total deposits of $109.3 million, in December 2001. Additionally, in order to diversify our operations and sources of income, in October 2002, we acquired Investment Counselors, Incorporated, an investment advisory firm.

Consistent with our focus on establishing and maintaining a strong presence in the most attractive areas in the St. Louis market, in March 2003, we sold Bank of Ste. Genevieve, one of our two subsidiary banks, to First Banks, Inc. Bank of Ste. Genevieve operates two branches located outside of the St. Louis metropolitan area and had total assets of approximately $110.0 million at the time of the sale. Under the sale agreement, First Banks acquired Bank of Ste. Genevieve in exchange for 974,150 shares of our common stock held by First Banks. The net assets of Bank of Ste. Genevieve were approximately $17.9 million, which approximated the value of consideration we received. Accordingly, we did not recognize any gain or loss as a result of the transaction. After this transaction, First Banks' ownership of our outstanding common stock was reduced from approximately 7.4% to approximately 1.5%.

2

In order to improve the profitability of our banking operations, over the past several years we have reduced the number of residential mortgages that we hold in our portfolio and have increased the amount of higher yielding commercial loans. Since the beginning of 1998, and in part as a result of opportunities that resulted from the consolidation of the St. Louis banking market, we have hired 23 commercial lending professionals, including a senior credit officer, who average more than 15 years of commercial lending experience in the St. Louis metropolitan area. As these local loan officers have joined our banking team, we have benefited from their existing customer relationships, as well as their local banking expertise. In addition, we have implemented a company-wide cost control initiative intended to enhance efficiencies throughout our organization that we refer to as "Project 2004" and we consolidated our banking operations, other than those of Bank of Ste. Genevieve, into one primary subsidiary, Allegiant Bank, during 2002.

The St. Louis metropolitan area is the 18th largest metropolitan market in the United States with a population of approximately 2.6 million. The St. Louis area is home to 15 Fortune 1000 companies, including Anheuser-Busch Companies, Inc., Emerson Electric Co. and The May Department Stores Company. Over the past several years, a number of financial institutions in our market area have been acquired by larger regional or national out-of-town financial institutions. These acquisitions have included: Marshall & Ilsley Corporation's 2002 acquisition of Mississippi Valley Bancshares, Inc.; Firstar Corporation's (now operating as U.S. Bancorp) 1999 acquisition of Mercantile Bancorporation Inc.; Union Planters Corporation's 1998 acquisition of Magna Group, Inc.; and NationsBank Corporation's (now operating as Bank of America Corporation) 1997 acquisition of Boatmen's Bancshares, Inc. We believe we have capitalized on opportunities created by this market consolidation and have built a strong, customer-friendly, community-focused banking franchise.

We seek to effectively meet the convenience and financial needs of customers through our extensive branch network that provides our customers at least one branch located within a 20-minute drive from all principal sectors of the St. Louis metropolitan area. Our 38 locations and 59 ATMs throughout the St. Louis metropolitan area also serve to increase recognition of the Allegiant name. In addition, we have sought to further enhance our name recognition by serving as the official bank of the St.

Louis Rams football team since July 2000.

FINANCIAL SUMMARY OF THE COMPANY

A consolidated financial summary of our company and subsidiaries is included on page A-1.

SUBSIDIARIES

The table setting forth the names and states of incorporation or organization, as the case may be, of our subsidiaries is included as Exhibit 21 hereto.

COMPETITION

We operate in a competitive environment. In the St. Louis metropolitan area, other commercial banks, savings and loan associations, credit unions, finance companies, mutual funds, insurance companies, brokerage and investment banking firms, investment advisers, financial planners and other financial intermediaries offer similar services. Many of these competitors have substantially greater resources and lending limits and may offer certain services that we do not currently provide. In addition, the extensive regulations that govern us and our banks may not apply to some of our non-bank competitors. Our profitability depends upon the ability of our banks to compete in our market area.

3

SUPERVISION AND REGULATION

As a bank holding company, we are primarily regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 (BHC Act). Under the BHC Act the Federal Reserve Board's prior approval is required if we propose to acquire all or substantially all of the assets of any bank, acquire direct or indirect ownership or control of more than 5% of the voting shares of any bank, or merge or consolidate with any other bank holding company. The BHC Act also prohibits, with certain exceptions, us from acquiring direct or indirect ownership or control of more than 5% of any class of voting shares of any nonbanking company. Under the BHC Act, we may not engage in any business other than managing and controlling banks or furnishing certain specified services to subsidiaries and may not acquire voting control of nonbanking companies unless the Federal Reserve Board determines such businesses and services to be closely related to banking. When reviewing bank acquisition applications for approval, the Federal Reserve Board considers, among other things, each subsidiary bank's record in meeting the credit needs of the communities it serves in accordance with the Community Reinvestment Act of 1977, as amended (CRA).

We are required to file with the Federal Reserve Board various reports and such additional information as the Federal Reserve Board may require. Allegiant Bank is organized as a Missouri state trust company and is subject to regulation, supervision and examination by the Division of Finance of the State of Missouri. Allegiant Bank is also subject to regulation by the Federal Deposit Insurance Corporation. In addition, there are numerous other federal and state laws and regulations which control the activities of us and our banking subsidiaries and non-banking subsidiaries, including requirements and limitations relating to capital and reserve requirements, permissible investments and lines of business, transactions with affiliates, loan limits, mergers and acquisitions, issuance of securities, dividend payments and extensions of credit. This regulatory framework is intended primarily for the protection of depositors and the preservation of the federal deposit insurance funds, and not for the protection of security holders. Statutory and regulatory controls increase a bank holding company's cost of doing business and limit the options of its management to employ assets and maximize income.

Under Federal Reserve policy, we are expected to act as a source of financial strength to our bank subsidiary and to commit resources to support our bank subsidiary in circumstances when it might not otherwise do so. The Federal Reserve Board may prohibit the payment of dividends by bank holding companies if their actions constitute unsafe or unsound practices. The payment of dividends by the bank subsidiary also may be affected by factors such as the maintenance of adequate capital. At December 31, 2003, our subsidiary bank was "well-capitalized" under regulatory capital adequacy standards.

These laws and regulations are under constant review by various agencies and legislatures, and are subject to frequent change. The Gramm-Leach-Bliley Financial Modernization Act of 1999 (GLB Act) contained major changes in laws that previously kept the banking industry largely separate from the securities and insurance industries. The GLB Act authorized the creation of a new kind of financial institution, known as a "financial holding company" and a new kind of bank subsidiary called a "financial subsidiary," which may engage in a broader range of investment banking, insurance agency, brokerage, and underwriting activities. The GLB Act also included privacy provisions that limit banks' abilities to disclose non-public information about customers to non-affiliated entities. Banking organizations are not required to become financial holding companies, but instead may continue to operate as bank holding companies, providing the same services they were authorized to provide prior to the enactment of the GLB Act.

In addition to its regulatory powers, the Federal Reserve impacts the conditions under which we operate by its influence over the national supply of bank credit. The Federal Reserve Board employs open market operations in U.S. Government securities, changes in the discount rate on bank borrowings, changes in the federal funds rate on overnight inter-bank borrowings, and changes in reserve requirements on bank deposits in implementing its monetary policy objectives. These instruments are used in varying combinations to influence the overall level of the interest rates charged on loans and paid for deposits, the price of the dollar in foreign exchange markets and the level of inflation. The monetary policies of the Federal Reserve have had a significant effect on the operating results of financial institutions in the past, most notably the strong decrease in interest rates which occurred in 2001 and the low rate environment in 2002 and 2003. In view of changing conditions in the national economy and in the money markets, as well as the effect of credit policies of monetary and fiscal authorities, no prediction can be made as to possible future changes in interest rates, deposit levels or loan demand, or their effect on our financial performance.

The Federal Reserve Board must also approve our proposed merger with National City prior to the merger becoming effective. Application was made to the Board of Governors of the Federal Reserve System for approval of the merger. At this time, the Federal Reserve Board has not approved the merger. Under the BHC Act, the Federal Reserve Board can withhold approval of the merger if, among other things, it determines that the effect of the merger would be to substantially lessen the competition in the relevant markets. After the Federal Reserve Board approves a merger, 30 days must pass before the merger can be completed. During that time, the United States Department of Justice may challenge the merger.

In addition, our bank is regulated and examined by the Missouri Department of Economic Development, Division of Finance. As a result, the merger also requires the approval of the Missouri Department of Economic Development, Division of Finance. At this time, the Missouri Department of Economic Development, Division of Finance, has not approved the merger.

This summary of the material elements of this regulatory framework does not describe all applicable statutes, regulations and regulatory policies, nor does it restate all of the requirements of the statutes, regulations and regulatory policies that are described. You should review the applicable statutes, regulations and regulatory policies. Any changes in applicable law, regulations or regulatory policies may have a material effect on our business.

EMPLOYEES

At December 31, 2003, we had 527 full-time equivalent employees. None of our employees are covered by a collective bargaining agreement. We consider our relationship with our employees and those of our subsidiary bank to be good.

WEB SITE ADDRESS

Our web site address is "www.allegiantbank.com." We make available free of charge on our web site our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K, and amendments thereto, as soon as reasonably practicable after we file such reports with the SEC. The reference to our web site does not constitute incorporation by reference of the information contained in the web site and should not be considered part of this document.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things:

- our ability to complete our proposed merger with National City, including our ability to satisfy the conditions to National City's obligations to complete the merger, many of which are outside of our control;

- because the exchange ratio of National City common stock that Allegiant shareholders will receive for shares of Allegiant common stock in the merger is fixed and because the market price of National City common stock will fluctuate, the market value of the National City stock Allegiant shareholders will receive in the merger is not fixed;

- adverse changes in the bank's loan portfolio and the resulting credit risk-related losses and expenses;
- our ability to manage our growth, including the successful expansion of the customer support, administrative infrastructure and internal management systems necessary to manage that growth;
- our ability to attract core deposits;
- adverse changes in the economy of our market area that could increase credit-related losses and expenses;
- adverse changes in real estate market conditions that could negatively affect credit risk;
- the consequences of continued bank acquisitions and mergers in our market area, resulting in fewer but much larger and financially stronger competitors, which could increase competition for financial services to our detriment;
- fluctuations in interest rates and market prices, which could negatively affect net interest margins, asset valuations and expense expectations;
- changes in regulatory requirements of federal and state agencies applicable to bank holding companies and our present and future bank subsidiaries;
- changes in accounting principles;
- general economic conditions; and
- other risks and uncertainties detailed from time to time in our filings with the Securities and Exchange Commission.

We undertake no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the events discussed in any forward-looking statements in this report might not occur.

ITEM 2. PROPERTIES

Our principal executive and administrative offices are located at 10401 Clayton Road in St. Louis, Missouri. Our operational offices are located at 2122 Kratky Road in St. Louis, Missouri. As of December 31, 2003, Allegiant Bank conducted its business and operations out of 38 locations in the St. Louis metropolitan area. Management believes that our physical properties, of which 30 are owned and eight are leased, are in satisfactory condition, adequately insured and suitable and adequate for present operations.

ITEM 3. LEGAL PROCEEDINGS

Various claims and lawsuits, incidental to our ordinary course of business, are pending against us, Allegiant Bank or our subsidiaries. In the opinion of management, after consultation with legal counsel, resolution of these matters is not expected to have a material effect on our consolidated financial condition or results of operation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no submission of matters to a vote of securities holders during the quarter ended December 31, 2003.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Our common stock is traded on the Nasdaq National Market ("Nasdaq") under the symbol "ALLE." As of December 31, 2003, the number of shareholders of our common stock was approximately 5,274. The quotations shown reflect for the periods indicated the high and low closing sales prices for our common stock as reported by Nasdaq. Such prices reflect inter-dealer prices without retail mark-up, markdowns or commissions.

	High	Low	Dividend Declared and Paid
2003			
First Quarter	$ 18.49	$ 16.50	$ 0.070
Second Quarter	20.26	16.74	0.090
Third Quarter	22.50	19.06	0.090
Fourth Quarter	28.71	20.21	0.090
2002			
First Quarter	$ 17.50	$ 13.45	$ 0.065
Second Quarter	19.00	15.72	0.065
Third Quarter	18.80	15.02	0.065
Fourth Quarter	18.24	15.99	0.065

ITEM 6. SELECTED FINANCIAL INFORMATION

Information regarding selected financial data appears on page A-1 under the caption "Selected Financial Information."

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information regarding Management's Discussion and Analysis of Financial Condition and Results of Operations appears on pages A-2 through A-23 under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations."

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information regarding Quantitative and Qualitative Disclosures About Market Risk appears on pages A-17 through A-23 under the caption "Balance Sheet Analysis - Interest Rate Sensitivity."

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information regarding Financial Statements and Supplementary Data appears on pages A-24 through A-54 under the caption "Consolidated Balance Sheets," "Consolidated Statements of Income," "Consolidated Statements of Shareholders' Equity," "Consolidated Statements of Cash Flows" and "Notes to Consolidated Financial Statements."

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure of controls and procedures are effective.

There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of our evaluation.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS

The name, age, principal occupation or position, other directorships and term of office as a director with respect to our directors are set forth below. Each of these individuals will cease to serve as a director of the Company at the effective time of the proposed merger with National City Corporation which we expect will occur late in the first quarter or early in the second quarter of 2004.

Robert L. Chambers, 42, has served as a director since December 2000. Mr. Chambers has been President of Huntleigh Securities Corp., a securities brokerage company, since September 2000. Prior to that time, he was Chief Executive Officer of K.W. Chambers & Co., a regional, full-service broker/dealer, for more than five years.

Leland B. Curtis, 60, has served as a director since April 1996 and was a director of Allegiant Bank from May 2000 to November 2001. Mr. Curtis has been a partner in the St. Louis, Missouri law firm of Curtis, Oetting, Heinz, Garrett & O'Keefe, P.C. for more than the past five years.

Kevin R. Farrell, 52, has served as a director since June 1989, as our Secretary since 1994 and as a director of Allegiant Bank since 1990. Mr. Farrell has been President of Great Ledge Development, formerly St. Louis Steel Products, a metal forming company, since its founding in 1990.

Richard C. Fellhauer, 61, has served as a director since December 2000. Mr. Fellhauer has been a Senior Vice President of Allegiant Bank since November 2000. Prior to that time, he was the President, Chief Executive Officer and Chairman of the Board of Equality Bancorp, Inc., the holding company for Equality Savings Bank, from 1982 to November 2000.

Leon A. Felman, 68, has served as a director since April 1992 and as a director of Allegiant Bank since May 2000. Mr. Felman's business activities have been private investment in financial institutions since 1999. For more than 30 years before that time, he was associated with Sage Systems, Inc., a franchisee of Arby's restaurants in the St. Louis area, and served as its President and Chief Executive Officer. Mr. Felman serves on the board of directors of Dynex, Inc., a Richmond, Virginia-based mortgage real estate investment trust listed on the New York Stock Exchange.

Shaun R. Hayes, 44, has served as a director and our President since June 1989 and became our Chief Executive Officer in January 1999. Additionally, Mr. Hayes has served as a director of Allegiant Bank since 1990 and as its President and Chief Executive Officer since May 1992.

Douglas P. Helein, 52, has served as a director since October 2001. Mr. Helein has been an insurance broker for Welsch, Flatness & Lutz, Inc., an insurance agency, for more than the past five years.

Michael R. Hogan, 50, has served as a director since October 2000. Mr. Hogan has been Chief Administrative Officer, Chief Financial Officer and Vice President of Sigma-Aldrich Corporation, a life science company, since April 1999. Prior to that time, he served three years as Corporate Vice President and Controller for Monsanto Company, a manufacturer of agricultural and biotechnology products and other consumer products.

C. Virginia Kirkpatrick, 69, has served as a director since March 1990 and as a director of Allegiant Bank since March 1990. Ms. Kirkpatrick has been President of CVK Personnel Management & Training Specialists, a business consulting and human resource management firm, since 1982.

Nancy C. Pechloff, 51, has served as a director since November 2002. Ms. Pechloff has been an Adjunct Professor of Accounting at the Olin School of Business at Washington University in St. Louis since September 2002. Prior to that time, she was a Senior Audit Partner for 29 years at Arthur Andersen LLP.

Robert E. Wallace, Jr., 47, has served as a director since October 2000. Mr. Wallace has been the Senior Vice President of Administration/General Counsel of the St. Louis Rams, a professional football team, since 1995.

John L. Weiss, 48, has served as a director since March 1999 and as a director of Allegiant Bank since May 1997. Mr. Weiss has been President of Brentwood Volvo, an automobile dealership in St. Louis, Missouri, for more than 15 years and has been the General Manager of Feld Toyota, an automobile dealership in St. Louis, Missouri, since February 2000.

Lee S. Wielansky, 51, has served a director since March 1990, was a director of Allegiant Bank from January 1999 to November 2001 and served as Vice Chairman of Allegiant Bank from February 1999 through November 2001. Mr. Wielansky has been Chairman and Chief Executive Officer of Midland Development Group since March 2003. Prior to that time, he served as

President and Chief Executive Officer of JDN Development Company from November 2000 to February 2003. Prior to that time, he was Managing Director of Investments and a member of the board of directors of Regency Realty Corporation, a publicly-held real estate investment trust, for more than three years. He also serves as director of Acadia Realty, a real estate investment trust listed on the New York Stock Exchange, since June 2000.

Marvin S. Wool, 75, has served as a director since March 1990 and as our Chairman and the Chairman of Allegiant Bank since March 1992. From March 1992 through December 1998, Mr. Wool served as our Chief Executive Officer. For more than the past five years, Mr. Wool has served as the President and Chief Executive Officer of Dash Multi-Corp, the holding company for subsidiary companies that are in the chemical, cloth coating, carpet and rubber products industries.

Since the date of our proxy statement for our 2003 annual meeting, there has not been any material change to the procedures by which security holders may recommend nominees to our board of directors.

The following is a list, as of January 26, 2004, of the names and ages of our executive officers and all positions and offices with us presently held by the person named. There is no family relationship between any of the named persons.

Shaun R. Hayes, 44, has served as a director and our President since 1989 and became our Chief Executive Officer in January 1999. Additionally, Mr. Hayes has served as a director of Allegiant Bank since 1990, and as its President and Chief Executive Officer since May 1992.

Jeffrey S. Schatz, 46, has served as one of our Executive Vice Presidents and our Chief Financial Officer since February 2003. Before becoming our Chief Financial Officer, Mr. Schatz served as our Chief Operations Officer since January 2000. Prior to joining us, Mr. Schatz served as Senior Vice President - Funds Management of Sky Financial Group, Inc., a Bowling Green, Ohio bank holding company, for more than nine years.

Paul F. Glarner, 55, has served as one of our Executive Vice Presidents and our Chief Lending Officer since 1997. Prior to joining us, Mr. Glarner served as an officer of Mercantile Bank, now U.S. Bank, for more than five years.

James, L. Schaller, 57, has served as our Senior Vice President of Retail Banking since 1997. Prior to joining us, Mr. Schaller was employed for four years by Roosevelt Bank, five years by First Nationwide Bank, five years by St. Louis Federal Savings and Loan and 12 years by Community Federal Savings and Loan.

Arthur E. Weiss, 44, has served as our Executive Vice President of Wealth Management since 2000. Prior to joining us, Mr. Weiss served as the President of the Weiss Group, Inc., an accounting and consulting firm. He founded the firm in 1991 and sold it to a publicly-traded company in 1998. From 1982 to 1991 Mr. Weiss was a tax manager with a Big Five public accounting firm.

The executive officers were appointed by and serve at the pleasure of our board of directors.

AUDIT COMMITTEE

We have a separate standing audit committee in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the audit committee are C. Virginia Kirkpatrick (Chairperson), Robert L. Chambers, Leon A. Felman, Douglas P. Helein, Nancy C. Pechloff, John L. Weiss and Marvin S. Wool. The board of directors has determined that Nancy C. Pechloff is an "audit committee financial expert," as that term is defined in Item 401(h)(2) of Regulation S-K, as amended, promulgated by the SEC. Each of the current members of the committee is "independent," as that term is defined in Item 7(3)(d)(iv) of Schedule 14A under the Exchange Act.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, requires our directors, executive officers and persons who own more than 10% of our outstanding stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. To our knowledge, based solely on our review of such reports furnished to us and written representations that no other reports were required, all Section 16(a) filing requirements applicable to our directors, executive officers and greater-than-ten percent shareholders were complied with during the year ended December 31, 2003, except for the following: Mr. Felman filed one late Form 4 reporting one exercise of a derivative security and Ms. Kirkpatrick filed one Form 4 late reporting one exercise of a derivative security.

CODE OF ETHICS

We have adopted a code of ethics applicable to our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The text of this code of ethics may be found on our web site at "www.allegiantbank.com." We intend to post notice of any waiver from, or amendment to, any provision of our code of ethics on our web site.

In April, 2003, a complaint was filed with the consumer affairs division of the Missouri Division of Finance by a former director and borrower of the bank. The complaint alleged various violations of law and regulations by the Chief Executive Officer of the bank and the bank itself. The Audit Committee hired independent, outside counsel to assist in the investigation of the allegations, and on October 7, 2003, submitted a response to the Division of Finance. After reviewing the Audit Committee's response, on October 17, 2003, the Division of Finance responded to the complainant, indicating its intent not to undertake any further action on behalf of the complainant, and indicating that the Division may review certain matters (which they did not identify) presented by the complaint, as a part of the Division's examination and supervision of the bank.

As a result of this investigation, the Board of Directors approved the Audit Committee's recommendations to amend the bank's Code of Conduct and Conflict of Interest policies to expand the disclosure requirements with respect to outside investments by bank officers and directors, and to refine the parameters of when and under what circumstances bank officers can make outside investments or engage in outside business activity. As part of this effort, the bank's Chief Executive Officer has agreed to take certain actions concerning his non-public outside investments.

ITEM 11. EXECUTIVE COMPENSATION

The following table summarizes the compensation of our Chief Executive Officer and President and the four other most highly compensated executive officers during 2003, as well as the total compensation paid to each individual during the last three years.

SUMMARY COMPENSATION TABLE

		Annual Compensation		Long-Term Compens	
Name and Principal Position	Payout Year	Salary ($)	Bonus ($)	Restricted Stock Awards ($)	Securities Underlying Options/SARs
Shaun R. Hayes					
President and Chief Executive	2003	385,000	150,000	-	50,000
Officer of each of Allegiant	2002	370,000	148,000	420,000(1)	10,000
Bancorp, Inc. and Allegiant Bank	2001	370,000	110,000	-	30,000
Jeffrey S. Schatz					
Executive Vice President and	2003	219,231	50,000	-	12,000
Chief Financial Officer of each of	2002	180,000	50,000	210,000(3)	7,500
Allegiant Bancorp, Inc. and	2001	162,500	40,000	-	7,500
Allegiant Bank					
Paul F. Glarner					
Executive Vice President and	2003	230,000	60,000	-	12,000
Chief Lending Officer of each of	2002	220,000	60,000	210,000(5)	7,500
Allegiant Bancorp, Inc. and	2001	208,466	50,000	-	7,500
Allegiant Bank					
Arthur E. Weiss					
Executive Vice President, Wealth	2003	183,834	40,000	-	10,000
Management of each of Allegiant	2002	127,500	40,000	140,000(7)	7,500
Bancorp, Inc. and Allegiant Bank	2001	125,000	75,000	-	5,000
James L. Schaller					
Senior Vice President of Retail	2003	95,000	30,000	-	4,000
Banking of each of Allegiant	2002	81,500	30,000	84,000(9)	4,000
Bancorp, Inc. and Allegiant Bank	2001	78,000	27,000	-	4,000