

THANK YOU
retiring board members

We bid farewell and express our gratitude to those members of the Eighth District boards of directors who have recently retired. Our appreciation and best wishes go out to the following:

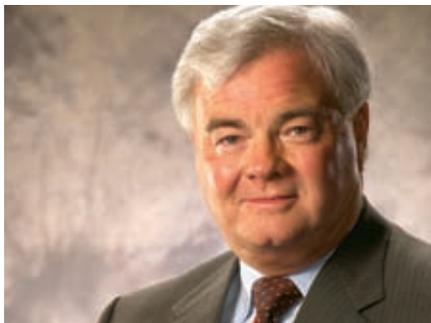
MEMPHIS

Levon Mathews

ST. LOUIS

Cynthia J. Brinkley
Jay Fitzsimmons
Lewis F. Mallory Jr.

Note: Lewis Mallory now serves as the Bank's Federal Advisory Council member.



Cal McCastlain

Chairman
Partner
Pender & McCastlain P.A.
Little Rock, Ark.

Phillip N. Baldwin

President and CEO
Southern Bancorp
Arkadelphia, Ark.

Sonja Yates Hubbard

CEO
E-Z Mart Stores Inc.
Texarkana, Texas

Sharon Priest

Executive Director
Downtown Little Rock Partnership
Little Rock, Ark.

William C. Scholl

President
First Security Bancorp-Searcy
First Security Bank
Little Rock, Ark.

C. Sam Walls

CEO
Arkansas Capital Corp.
Little Rock, Ark.

Robert A. Young III

Chairman
Arkansas Best Corp.
Fort Smith, Ark.

Gary A. Ransdell

Chairman
President
Western Kentucky University
Bowling Green, Ky.

Gordon B. Guess

Consultant
Marion, Ky.

John L. Huber

Consultant
Louisville, Ky.

Barbara Ann Popp

CEO
Schuler Bauer Real
Estate Services
New Albany, Ind.

John C. Schroeder

President
Wabash Plastics Inc.
Evansville, Ind.

L. Clark Taylor Jr.

CEO
Ephraim McDowell Health
Danville, Ky.

Steven E. Trager

Chairman and CEO
Republic Bank & Trust Co.
Louisville, Ky.





Nick Clark

Chairman
Partner
Clark & Clark
Memphis, Tenn.

Meredith B. Allen

Vice President, Marketing
Staple Cotton Cooperative
Association
Greenwood, Miss.

Charles S. Blatteis

Member (Partner)
The Bogatin Law Firm PLC
Memphis, Tenn.

Thomas G. Miller

President
Southern Hardware Co. Inc.
West Helena, Ark.

David P. Rumbarger Jr.

President and CEO
Community Development
Foundation
Tupelo, Miss.

Hunter Simmons

President and CEO
First South Bank
Jackson, Tenn.

Not pictured:

Susan S. Stephenson

Co-Chairman and President
Independent Bank
Memphis, Tenn.

Irl F. Engelhardt

Chairman
Chairman
Patriot Coal Corp.
St. Louis

Steven H. Lipstein

Deputy Chairman
President and CEO
BJC HealthCare
St. Louis

Paul T. Combs

President
Baker Implement Co.
Kennett, Mo.

Gregory M. Duckett

Senior Vice President and Corporate Counsel
Baptist Memorial Health Care Corp.
Memphis, Tenn.

Robert G. Jones

President and CEO
Old National Bancorp
Evansville, Ind.

J. Thomas May

Chairman and CEO
Simmons First National Corp.
Pine Bluff, Ark.

David R. Pirsein

President and CEO
First National Bank in Pinckneyville
Pinckneyville, Ill.

A. Rogers Yarnell II

President
Yarnell Ice Cream Co. Inc.
Searcy, Ark.





Larry Clarke
Bunge North America Inc.
St. Louis

Sam J. Fiorello
Donald Danforth
Plant Science Center
St. Louis

Keith Glover
Producers Rice Mill Inc.
Stuttgart, Ark.

Richard Jameson
Jameson Farms
Brownsville, Tenn.

David Williams, Ph.D.
Burkman Feeds
Danville, Ky.

John King III
King Farms
Helena, Ark.

Not pictured:

Bert Greenwalt, Ph.D.
Arkansas State University
State University, Ark.

Leonard Guarraia, Ph.D.
World Agricultural Forum
St. Louis

Ted Huber
Huber's Orchard & Winery
Starlight, Ind.



Calvin Anderson
Blue Cross Blue Shield
of Tennessee
Memphis, Tenn.

Jan C. Vest
Signature Health Services Inc.
St. Louis

Jeffrey B. Bringardner
Humana-Kentucky Inc.
Louisville, Ky.

Bob Gordon
Baptist Memorial Health Care
Memphis, Tenn.

Stephen A. Williams
Norton Healthcare
Louisville, Ky.

Not pictured:

Russell D. Harrington Jr.
Baptist Health
Little Rock, Ark.

Dick Pierson
University of Arkansas for
Medical Sciences
Little Rock, Ark.

Sister Mary Jean Ryan
SSM Health Care System
St. Louis



Kevin Huchingson
Colliers Dickson Flake
Little Rock, Ark.

Jack McCray
Bank of the Ozarks
Little Rock, Ark.

Mary Singer
CresaPartners Memphis
Memphis, Tenn.

David Price
Whittaker Builders Inc.
St. Louis

John J. Miranda
Pinnacle Properties
of Louisville, LLC
Louisville, Ky.

William Mitchell
Memphis Area
Association of Realtors
Memphis, Tenn.

Not pictured:

Greg Kozicz
Alberici Constructors
St. Louis

E. Phillip Scherer III
Commercial Kentucky Inc.
Louisville, Ky.



Robert L. Lekites
UPS
Louisville, Ky.

Mark Knoy
MEMCO Barge Line
Chesterfield, Mo.

Kirk Thompson
J.B. Hunt Transport Services Inc.
Lowell, Ark.

Not pictured:

T. Michael Glenn
FedEx Corp.
Memphis, Tenn.

Charlie W. Johnson
C.W. Johnson Xpress
Louisville, Ky.

Dennis Oakley
Bruce Oakley Inc.
North Little Rock, Ark.

Joseph Tracy
Dot Transportation Inc.
Mt. Sterling, Ill.

Phil Trenary
Pinnacle Airlines Inc.
Memphis, Tenn.

William Poole
President and CEO

Dave Saperano
First Vice President
and COO

Karl Ashman
Senior Vice President

Judie Courtney
Senior Vice President

Mary Karr
Senior Vice President

Robert Rasche
Senior Vice President

Robert Schenk
Senior Vice President

Julie Stackhouse
Senior Vice President



NTMESSAGE FROM MANAGEMENTME

Now, it's our turn. In the previous pages, Chairman Engelhardt shared his thoughts on Bill Poole, as did past chairmen and a few of Mr. Poole's colleagues around the Federal Reserve System. And, of course, our past president himself offered his reflections in the main essay. We, the Bank's senior management team, would also like to express our appreciation to President Poole for his wise guidance and counsel over the last decade.

The Bank is a much different place than it was when we welcomed Mr. Poole in 1998. In the past 10 years, as changes have occurred both inside and outside the Federal Reserve, we have remained agile enough to develop new capabilities and skillful enough to emerge as a System leader in several areas.

Mr. Poole saw the need for the Bank to, in a sense, redefine itself. For example, our check operations at all four offices had historically performed very well. But that didn't change an environment that witnessed more and more people switching to electronic forms of payment—a trend that the Federal Reserve has encouraged. As we have reduced, and continue to reduce, our check operations, we have bolstered areas of the Bank that Mr. Poole liked to refer to as our "intellectual presence."

By that, he meant sharing our knowledge about the economy, monetary policy and personal finance with traditional and nontraditional audiences alike. We are doing this throughout our District through programs like economic forums, education workshops, and meetings with

bankers and business, government and community leaders. Bill Poole was an ardent supporter of these efforts and traveled both far and frequently to meet with the Bank's constituents. During the past decade, we have also greatly enhanced the already formidable amount of economic data on the Research portion of the Bank's web site. We are currently in the process of revamping the rest of our web site and plan to launch the new site later this year.

Chairman Engelhardt touched on the St. Louis Fed's relationship with the U.S. Treasury. That is certainly true. We are extremely proud of the partnership we have forged with the Treasury in recent years. In 2007, the Fed's Treasury Relations and Support Office, based in St. Louis, continued to provide effective monitoring and support for the System's Treasury-related objectives. In addition, our District's Treasury operations were awarded additional Treasury responsibilities in 2007, ensuring that the District will continue to be a leading Reserve bank in terms of serving the U.S. Treasury.

The District's banking supervision function last year successfully met all safety and soundness, consumer affairs, and applications processing mandates, and provided effective supervision and monitoring of District state member banks and bank holding companies. In addition, the District continued to expand its supervisory portfolio.

Despite all of these positive developments, we have also been forced to make some difficult decisions in recent years. Restructuring decisions in departments like Check, Cash and even Treasury have lowered our employment levels in those areas. We had to bid farewell to many dedicated,

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talented employees. Perhaps there used to be a feeling here that the Federal Reserve was immune to employment pressures that private companies routinely face. That is no longer the case.

As we prepare to welcome a new president to the St. Louis Fed, we are excited about taking on the challenges that lie ahead. It is clear that Mr. Poole left the Bank solidly positioned to face the continuing evolutions in the economy, the banking sector and the Federal Reserve System.

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