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Comptroller of the Currency  
Administrator of National Banks

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## **PUBLIC DISCLOSURE**

**November 13, 1996**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Bank of Brookfield-Purdin, N.A.  
Charter Number 16976**

**216 North Main Street  
P.O. Box 68  
Brookfield, Missouri 64628**

**Office of the Comptroller of the Currency  
Kansas City Duty Station  
6700 Antioch Road, Suite 450  
Merriam, Kansas 66204-1200**

**NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

**GENERAL INFORMATION**

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of Bank of Brookfield-Purdin (BBP) prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of November 13, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.*

**INSTITUTION'S CRA RATING:** “Satisfactory record of meeting community credit needs.”

Bank of Brookfield-Purdin has loaned more than 53 percent of its deposits in the community. Loan originations show a good distribution among borrowers of different incomes and businesses and farms of different sizes.

The following table shows the performance levels of BBP with respect to each of the five performance criteria:

SMALL INSTITUTION ASSESSMENT CRITERIA	BANK OF BROOKFIELD-PURDIN PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan-to-Deposit Ratio		X	
Lending in Assessment Area	X		
Lending to Borrowers of Different Incomes and to Businesses of Different Sizes		X	
Geographic Distribution of Loans	Analysis not meaningful.		
Response to Complaints	No complaints were received since the prior examination.		

## **DESCRIPTION OF INSTITUTION**

BBP is a \$59 million bank headquartered in Brookfield, Missouri. It is wholly owned by Capital Bancshares, Inc., a one bank holding company in Brookfield. The bank's branches are in Purdin and Meadville in Linn County, and in Winigan, in Sullivan County.

BBP focuses its lending on consumers, businesses, and farms. It originated about 433 consumer loans, and 338 commercial or agricultural production loans or advances in the 12 month period ending September 30, 1996. These loans were 86 percent of total originations by number, and 68 percent by dollar volume. The bank also originated 127 real estate loans for home purchase, business, or agricultural purposes.

The bank offers flexible and innovative underwriting. It has no minimum loan amount, and typically makes loans of \$100 or less. Bank management structures loans flexibly to coincide with customers' varying cash flow. BBP offers a variety of consumer, commercial, and agricultural loan products described in its CRA public file. No legal impediments keep the bank from meeting its CRA responsibilities. OCC assigned BBP a rating at its March 31, 1994 examination.

## **DESCRIPTION OF ASSESSMENT AREA**

The assessment area comprises four block numbering areas (BNAs) in Linn County, and one BNA in Sullivan County. Based on 1990 census data, the five BNAs are designated as middle income. The assessment area is not in a metropolitan statistical area. Low, moderate, middle, and upper income families are 27, 20, 20, and 33 percent of the assessment area's population. The bank's assessment area does not reflect illegal discrimination, and does not arbitrarily exclude low- or moderate-income geographies. The five-BNA area has a population of nearly 13,000.

The area's economy is dependent on agriculture and related industries. Some diversification is provided by light manufacturing, publishing, retail, health care, and education. The economy and population are stable, contributing to a 2 percent unemployment rate. Employment is affected by seasonal fluctuations in manufacturing and agriculture.

Two similar-sized competitors operate in Brookfield. Larger, out-of-town banks also have branches in Brookfield.

OCC examiners contacted a local community group representative. The representative suggested a general need for agricultural and residential loans, particularly loans for new housing. Bank management affirmed this need but explained Brookfield needs a residential developer. BBP has increased its home loan activity in the past two years.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :**

### ***Loan-to-Deposit Ratio***

BBP's nine quarter average loan-to-deposit ratio since the past examination is 53 percent. Its two primary competitors' ratios are 33 and 87 percent. BBP's ratio is reasonable in light of its competition and the assessment area's large population of senior citizens. Senior citizens often need deposit services more than they do loans.

### ***Lending in Assessment Area***

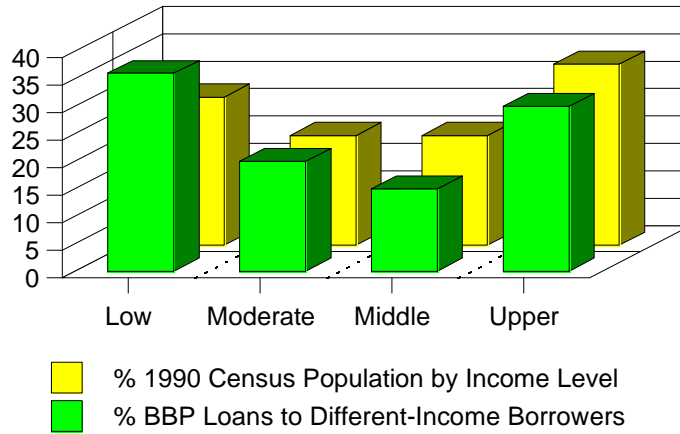
A substantial majority, 85 percent of the number of bank's loan originations in the past twelve months, were in its assessment area.

***Lending to Borrowers of Different Incomes and to Businesses of Different Sizes***

Its loan distribution shows BBP has a good record of lending to borrowers, businesses, and farms with wide-ranging incomes and revenues.

## Consumer Loans

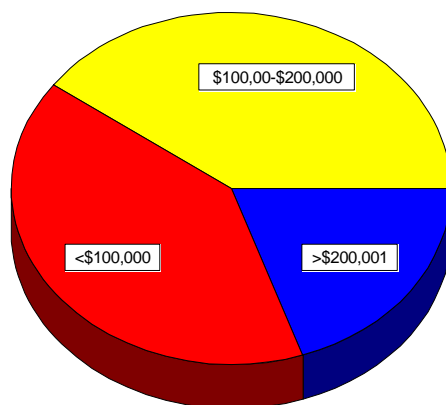
% of BBP's Borrowers by Income



OCC's analysis of 61 out of the 433 consumer loan BBP originated in the past twelve months shows reasonable penetration of all borrower income levels. BBP's underwriting allows credit access to many low-income borrowers.

# Business and Farm Loans

(% of sample by # of borrowers)



BBP's distribution of business and farm loan originations shows a reasonable penetration of businesses and farms of varying sizes. Bank management believes this distribution reflects fairly the range of sizes of businesses and farms in BBP's assessment area. OCC verified this distribution by testing 57 of 335 commercial and agricultural loans BBP made in the past twelve months.

## Small Loans

BBP's small loans promote access to credit for low and moderate income borrowers, and for small businesses and farms. OCC's analysis of loan originations for the 12 month period ending September 30, 1996 showed BBP originated 46 percent of its consumer loans in amounts less than \$1,000. The same origination data showed BBP originated 68 percent of all commercial and agricultural loans in amounts less than \$10,000.

***Geographic Distribution of Loans***

The five individual geographies in the bank's assessment area are middle income BNAs. Therefore, an analysis of BBP's loans in geographies of different income levels would not be meaningful.

***Compliance with Antidiscrimination Laws and Regulations***

We found the bank in compliance with both substantive and technical provisions of antidiscrimination laws and regulations.