



PUBLIC DISCLOSURE

September 29, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Montgomery First National Bank
Charter Number 15302
One First National Plaza
Sikeston, Missouri 63801**

**Office of the Comptroller of the Currency
St. Louis Field Office
12312 Olive Boulevard, Suite 650
St. Louis, Missouri 64108**

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.

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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 **Montgomery First National Bank (MFNB)** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **September 29, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all, of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25. That section of the regulation became effective on January 1, 1996.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Public Disclosure. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Assessment Area (AA) - The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance.

Block Numbering Area (BNA) or Census Tract (CT) - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries and contains between 2,500 and 8,000 inhabitants. A CT or BNA is also called a "geography."

Community Development Purpose - A community development purpose is defined per 12 CFR 25.12(h) as affordable housing (including multi-family rental housing) for low- and moderate-income (LMI) individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of 13 CFR 121.802(a)(2) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies.

Community Reinvestment Act (CRA) - A statute that requires federal regulators to evaluate a financial institution's record of meeting community credit needs in the institution's AA. *(This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2901, as amended, and 12 CFR 25, as amended).*

Income Levels - These relate to individuals, families, CT's or BNA's.

Low = An income level that is less than 50 percent of the median income.

Moderate = An income level that is at least 50 percent and less than 80 percent of the median income.

LMI = An income level that is less than 80 percent of the median income.

Middle = An income level that is at least 80 percent and less than 120 percent of the median income.

Upper = An income level that is 120 percent or more of the median income.

Median Family Income (MFI) - The median family income for a specific area as determined by the United States Census Bureau. The Department of Housing and Urban Development (HUD) updates this figure annually using an estimated inflation factor.

MFNB - Montgomery First National Bank.

Small Business - A business that has \$1 million or less in gross annual revenues.

Small Loan, at origination, to a Business - A loan of \$1 million or less to a business of any size.

Institution’s CRA Rating: This institution is rated “**Outstanding.**”

The primary reasons for this rating are:

- C The bank’s level of qualified community development investments is excellent and is very responsive to the needs and opportunities in the AA. Investments and grants total \$1.9 million or 5 percent of MFNB’s Tier 1 Capital.
- C The bank does an excellent job of lending to businesses and farms of different sizes. MFNB originated 87 percent of its small business loans and 94 percent of its small farm loans to businesses and farms with revenues less than \$1 million. MFNB’s success is particularly noteworthy given the economic problems found in the assessment area.
- C MFNB has made extraordinary contributions to the assessment area in the form of community development loans totaling \$9.7 million. Many of these loans were targeted to improving education and job opportunities for low- and moderate-income persons.
- C MFNB’s volume of loan originations and percentage of loans made within its assessment area demonstrates good responsiveness to area credit needs.
- C MFNB, its directors and officers provide an excellent level of retail banking and community development services to the assessment area. MFNB was typically a leader in efforts to provide housing and job training for low- and moderate-income families and neighborhood economic revitalization efforts.

The bank previously attained an Outstanding rating at its last CRA examination dated September 3, 1996.

The following table indicates the performance level of MFNB with respect to the lending, investment, and service tests.

Performance Levels	Montgomery First National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High satisfactory	X		
Low satisfactory			
Needs to improve			
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Description of Institution

MFNB, an intrastate bank located in Sikeston, Missouri, is a wholly-owned subsidiary of Continental Bancorporation, a one-bank holding company, also headquartered in Sikeston. As of June 30, 1999, the bank had total assets of \$627 million. MFNB is a full-service bank and offers a wide variety of products and services. In addition to its main office in Sikeston, the bank has five branches located in several counties throughout Southeastern Missouri.

MFNB has historically had a retail banking orientation, but is committed to meeting the credit demand of commercial customers also, particularly small businesses. The primary component of the bank's loan portfolio is residential real estate. MFNB has been active in the financing of small businesses. The bank is also an active consumer loan originator.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment areas. As of June 30, 1999, the bank's net loans and leases totaled \$302 million. This represents 48 percent of the bank's assets. This percentage is lower than the bank's national peer group which stands at 61 percent. The bank's loan portfolio consisted of 35 percent residential real estate loans, 26 percent commercial real estate loans, 16 percent commercial loans, 7 percent agricultural loans, 5 percent multifamily, 5 percent loans to individuals, and 6 percent all other purposes. Tier 1 capital during this period totaled \$37 million.

Beginning in June of 1998, the bank acquired four additional branch offices in the western suburbs of the St. Louis Multi-State MSA. These locations operate as full-service banking facilities. Because the acquisition of the branches occurred during the closing six months of 1998, our analysis is based solely on the bank's performance within the Sikeston assessment area. A description of the Sikeston assessment area is included on pages 5-6 of this document.

Description of the Sikeston Assessment Area

Demographic details on the assessment area, presented in Table A below, are based on the most recent census data.

TABLE A Demographic Information for MFNB Sikeston Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	Not Assigned % of #
Geographies	51	0.0	13.73	62.75	23.53	0.0
Population by Geography	187,195	0.0	13.60	60.06	26.34	0.0
Owner-Occupied Housing by Geography	47,397	0.0	10.99	59.40	29.61	0.0
Businesses by Geography	5,713	0.0	15.89	49.19	34.92	0.0
Farms by Geography	325	0.0	12.92	65.54	21.54	0.0
Family Distribution by Income Level	51,371	22.34	15.50	19.91	42.35	0.0
Median Family Income	= \$24,325	Median Housing Value				= \$41,354
HUD Adjusted Median Family Income for 1998	= \$34,900	Unemployment Rate (7/99)				= 5.1%
		Households Below the Poverty Level				= 22.5%

Source: 1990 U.S. Census, 1998 HUD updated MFI, and Missouri Dept. Of Labor and Industrial Relations.

MFNB's Sikeston assessment area includes six contiguous counties in southeastern Missouri: Scott, New Madrid, Cape Girardeau, Stoddard, Pemiscot, and Mississippi. The bank's assessment area consists of 51 Block Numbering Areas (BNAs), including 7 moderate-income, 32 middle-income, and 12 upper-income. There are no low-income BNAs in the assessment area. A description of the demographics of the assessment area is presented below.

According to the 1990 United States Census, the assessment area's total population was 187,195. The majority of families (62 percent) are middle- or upper-income, and 80% of all LMI families reside in middle- and upper-income areas. The assessment area contains 76,604 housing units including 62 percent owner-occupied units. The median housing value is \$41,354 and the median age of housing is 35 years.

There are 5,713 businesses and 325 farms within the assessment area. Area farmers produce wheat, corn, soybeans, cotton, milo, potatoes, watermelons, rice, sunflowers, and peaches. Competition

within the financial services industry is strong. MFNB's primary competitors include Bank of America, Mercantile Bank of St. Louis, Commerce Bank, Union Planters Bank, First State Bank and Trust, and First Community Bank.

The local economy is weak, experiencing high rates of joblessness, poverty, and an under-prepared labor force. The assessment area's unemployment rate of 5.1 percent exceeds the state-wide average of 3.5 percent. In the counties of Pemiscot and New Madrid the unemployment rates were 10 percent and 7 percent respectively. The average per capita personal income in the assessment area is 50 percent lower than the state average. Twice as many residents under the age of 65 live below the poverty level compared to the state average. The substantial majority of low-income households (83 percent) live at or below the poverty level. Additionally, 33 percent of assessment area residents receive social security and 13 percent receive public assistance payments.

Another factor contributing to the weakness in the local economy is the high percentages of adults lacking a high school education. Overall, 38.4 percent of adults over the age of 25 are without a high school education. In Pemiscot and Mississippi Counties, the ratio of adults without a high school education exceeds 50 percent.

To address these problems, government officials, community members and business leaders have worked to improve access to post-secondary education in the assessment area and recruit small- and medium-sized manufacturing businesses to the assessment area.

Community Contacts and Credit Needs

In an effort to assess credit needs of the area, we conducted one community contact in conjunction with this examination and reviewed eleven community contacts conducted by other regulatory agencies. Our contact was with a representative of the state economic development agency. Repeatedly, community contacts emphasized the high rates of poverty, unemployment and high school dropouts as the most pervasive problems facing low- and moderate-income residents.

The most frequently cited credit and community development need was education and job training for low- and moderate-income persons. Other needs include small business development loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The volume of residential real estate loans originated in the assessment area shows good responsiveness to credit needs. Because Sikeston is not in a metropolitan statistical area, the bank is not subject to the Home Mortgage Disclosure Act. However, MFNB uses specialized computer software to track the volume and geographic distribution of its residential real estate loan originations. MFNB originated 991 residential real estate loans totaling \$66.7 million to assessment area borrowers. This total includes home purchase, home improvement, and refinance loans and represents 93 percent of total mortgage loan originations.

MFNB originated a good volume of small business and small farm loans in its assessment area with 605 small business loans totaling \$64.3 million and 161 small farm loans totaling \$12.9 million. The totals represent 91 percent of MFNB's small business loan originations and 95 percent of its small farm loan originations. In 1997, the bank ranked 17th among all reporters in number of small business loan origination and 29th in small farm loan originations. MFNB provided the largest number of small business loans among lenders headquartered within its assessment area.

Residential real estate loans, small business loans, and small farm loans represent the substantial portion of MFNB's loan portfolio and were used to analyze the bank's performance under the lending test. However, more weight was put on the bank's performance in lending to small businesses, which community contacts identified as a primary credit need.

Refer to Table 1 - Lending Volume in the Appendix for the data that shows loan originations during the evaluation period.

Distribution of Loans by Income Level of the Geography

The bank's penetration of small business and small farm loans to middle- and upper-income geographies is very good. However, penetration into moderate-income geographies is low when compared to the percentage of small businesses and small farms located in those geographies. Approximately 3.6 percent of MFNB's small business loans and 5.6 percent of its small farm loans originated in moderate-income geographies. However, demographic data shows that 15.9 percent of small businesses and 12.9 percent of small farms are located in these areas.

The geographic distribution of residential real estate loans reflects adequate penetration throughout the assessment area. The penetration to moderate-income geographies is below the percentage of owner-occupied units located in those geographies. Moderate-income geographies contain 11 percent of the assessment area's owner-occupied housing units. The bank's percentage of residential real estate loans in these geographies was 6.4 percent.

There were no conspicuous gaps identified in the geographic distribution of the bank's lending.

Distribution of Loans by Income Level of the Borrower

Small Business and Small Farm Loans

MFNB's lending to businesses of different sizes is excellent. The bank made 87 percent of its reported loans to businesses with revenues of \$1 million or less. This was substantially higher than demographic data which indicates only 73 percent of businesses in the assessment area had revenues less than \$1 million. In aggregate, other lenders made only 67 percent of their small business loans to firms with revenues of \$1 million or less. MFNB's market share for loans to these businesses was 1.9 percent compared to its 1.7 percent overall market share. And, three-fourths of the bank's small business loan originations were for amounts of \$100,000 or less.

MFNB did an excellent job of lending to small farms as 94 percent of its small farm loans were to farms with revenues of \$1 million or less. This exceeds the demographic data which reveals 91 percent of assessment area farms had revenues of \$1 million or less. In aggregate, other lenders made 96 percent of their small farm loans to farms with revenues of \$1 million or less. The bank's 0.59 percent overall market share of small farm loans was very consistent with its 0.58 percent market share for loans to farms of this size. Also, 73 percent of the MFNB's small farm loans were for amounts of \$100,000 or less.

Residential Real Estate Loans

The percentage of loans made to low- and moderate-income borrowers is below the percentage of families within those income categories. As indicated in Table 5, the vast majority of the bank's residential real estate loans were to middle- and upper-income borrowers. However, the average per capita income in the assessment area is \$18,243. Also, 83 percent of low-income households have incomes at or below the poverty level. With the average median housing value at \$41,354, many families would have difficulty qualifying for housing-related loan products. The bank's performance is considered good when viewed in the context of the high level of poverty and the cost of housing in the assessment areas.

Community Development Loans

The bank's community development lending activity is excellent and demonstrates a very strong commitment to meeting the community development needs of the assessment area. MFNB provided 6 community development loans totaling \$9.7 million.

MFNB provided a \$4.8 million loan to construct a new district headquarters building for the Missouri Department of Transportation (MODOT) in the Sikeston Industrial and Technology Park and \$745,000 to develop a new retail center in Sikeston. Both loans were provided to spur development of the city- and county-approved Tax Increment Finance (TIF) District in Sikeston. The TIF District is an area that has been designated as blighted by the local government, and special tax incentives are used to help spur its redevelopment. The bank's loans allowed the community to keep the jobs

provided by the MODOT district headquarters and a grocery store serving predominantly low- and moderate-income families.

The bank provided a \$3 million loan to the City of Sikeston to construct a new building to house the Sikeston Area Higher Education Council's (SAHEC) classroom building. The building will be located in the new Sikeston Industrial and Technology Park and is expected to serve over 1,000 students. The SAHEC was established to address the need for better educational opportunities in the assessment area, particularly for low- and moderate-income residents. Please refer to the *Investment Test* section of this document for additional information on SAHEC and its activities.

MFNB provided \$850,000 to the City of Sikeston to acquire 250 acres of underdeveloped land adjacent to the existing Sikeston Industrial and Technology Park. The additional land is being used for small business expansion and to attract new employers to the assessment area.

MFNB provided a \$216,000 loan to the Safe House for Women, a nonprofit organization that provides transitional housing for female victims of domestic violence. The funds were used to purchase an eight-unit apartment complex. All of the units in the complex are occupied by low-income families. Bank management also led the effort to obtain a grant from the Federal Home Loan Bank for this project which is discussed under the *Service Test*.

The bank provided \$106,000 to SAHEC for building improvements on its temporary location. MFNB donated the building to SAHEC, for which the bank received positive consideration under the *Investment Test*.

Flexible Lending Practices

MFNB utilized flexible lending products to help meet credit needs of low- and moderate-income residents. The bank's "No Hassle" Home loan program is designed to help low- and moderate-income borrowers purchase homes. These loans feature lower closing costs in comparison to conventional and government guaranteed home loan products. MFNB originated 435 No Hassle loans totaling \$28.7 million. These loans are included under the section titled *Residential Real Estate Loans* and received positive consideration under the "Geographic Distribution" and "Borrower Distribution" portion of the *Lending Test* above.

INVESTMENT TEST

MFNB's qualified community development investments are highly responsive to identified needs within the assessment area. Investments and grants total \$1.9 million or 5 percent of Tier 1 Capital. A substantial portion of its investments was targeted at providing vocational and other job training opportunities for low- and moderate-income residents.

There are few community development organizations serving the assessment area. Most of the community development activity is directed by local and state government agencies. These agencies have focused on job training services and small business development as the major long-term development goals for the assessment area. Community contacts repeatedly listed education and job training as the primary community development needs, particularly for LMI residents. Other community development needs include capital sources for small businesses and housing development targeted to LMI families.

MFNB purchased \$1.6 million in bonds for the construction of a new highway interchange and other road work at the Sikeston Industrial and Technology Park. Local government officials have targeted a new industrial park as a top priority in their effort to attract small businesses and jobs to the community. The bank's financial support was critical to getting the Missouri Department of Transportation agreement to start the project.

The interchange provides needed access roads to the new Sikeston Area Higher Education Council (SAHEC) classroom building. The SAHEC is an innovative joint collaboration project led by MFNB and included Southeast Missouri State University, Three Rivers Community College, the Sikeston Public Schools and the local Sikeston business community. It was formed to provide post-secondary education, new technology and job training skills to area residents, particularly to low- and moderate-income residents.

In addition, MFNB donated its former headquarters building to SAHEC. This \$320,000 facility is being used as a temporary location to provide junior college level courses and vocational-technical education to area residents.

According to community leaders, the SAHEC project is the most significant community development project for Sikeston in several years. Community leaders and government officials worked unsuccessfully for many years to increase access to post-secondary educational opportunities for low- and moderate-income residents. Bank President Troy Wilson played a pivotal role in bringing this project to reality. He chaired the SAHEC Special Committee and brought local and state government officials, a community college and state university together to start the school.

In addition, MFNB provided 11 qualified grants totaling \$12,500. Notable among these contributions was a \$1,000 donation to a transitional housing shelter for battered women.

Table 8 - Qualified Investments, located in the Appendix, details the number and dollar amount of investments for Affordable Housing projects, Community Service projects, Economic Development/Small Business projects, and Revitalizing or Stabilizing projects.

SERVICE TEST

Retail Banking Services

Through its network of branch office locations, automatic teller machines (ATM), telephone banking and strong record of community development service, MFNB delivers excellent retail banking services to its assessment area.

Retail delivery systems are readily accessible to all geographies and individuals of different income levels. In addition to the main office, MFNB operates five branch facilities and six ATMs in the Sikeston assessment area. All branches offer full banking services, with the exception of the Miner branch which does not offer lending services. However, Minor Township is located in a middle-income geography and the branch is within two miles of the main office. Five of the six offices have an ATM and one ATM is located at the Sikeston Area Higher Education Center.

The branch offices are readily accessible to all parts of the assessment area, particularly to LMI residents. The bank's assessment area is primarily rural and includes several small cities in six Southeast Missouri counties. MFNB's branches are located in middle- and upper-income geographies and in the most populous cities of each county. Over 80 percent of low- and moderate-income families reside in these geographies. Residents typically access banking facilities by automobile and the area is adequately served by federal, state, and county highway systems.

Office hours provide very good access and convenience for customers. Branches are open from 8:30 a.m. to 4:30 p.m. Monday through Friday. All offices provide extended hours on Friday and offer Saturday hours. In addition, MFNB offers a free and comprehensive 24-hour telebanking service that provides customers with complete access to loan and deposit information. This includes account inquiry, funds transfer, loan payment capability. However, because no data was available to show its effectiveness at serving low- and moderate-income geographies or individuals, we could not place significant weight for this service when determining the bank's performance.

MFNB's record of opening and closing offices has not adversely affected the accessibility of its delivery system. Since the last CRA examination, the bank opened one branch in the Sikeston assessment area and did not close any branch.

See Table 9 - Distribution of Branch and ATM Delivery System, located in the Appendix, for details.

Community Development Service

MFNB provides an excellent level of community development services which address critical assessment area needs. Officers and directors serve on the boards of a number of local organizations that have as their primary purpose economic development and revitalization, affordable housing, and social services targeted to low- and moderate-income families. In several cases, MFNB personnel serve in a leadership capacity with regard to community development initiatives by serving on boards or committees of community development agencies. Examples of programs and organizations that MFNB has provided services for are detailed below:

The bank president is a member of the SAHEC Board of Directors. The president provided strong leadership and technical expertise to SAHEC which was instrumental in obtaining the school for Sikeston. The president helped to organize and conduct informational meetings to generate community support for public funding of the SAHEC.

The bank president chaired a joint committee that spearheaded the Northern Bypass highway construction project, a new highway needed to facilitate job creation and road access to the SAHEC at the new Sikeston Industrial Development Park.

A bank officer serves on the Board of Directors and the Finance Committee of Safe House for Women in Cape Girardeau, Missouri. Safe House provides social services, including emergency shelter to low- and moderate-income women and children who are the victims of domestic violence. MFNB played a leadership role in helping the organization secure a \$218,000 grant from the Federal Home Loan Bank Affordable Housing Program. Bank management contributed a substantial amount of time and research into writing the grant proposal. The grant was used to acquire and renovate apartment buildings into transitional living housing units for victims of domestic violence.

A bank officer is president of the Board of Directors for the Scott County Sheltered Workshop. The Sheltered Workshop is a nonprofit organization that employs adults with physical and/or mental disabilities.

Bank officers and employees are active in several other organizations that promote economic revitalization and provide social services throughout the bank's assessment area, including the Sikeston Industrial Development Board and the Sikeston Soup Kitchen Board.

FAIR LENDING REVIEW

Examiners found no instance of illegal discrimination or discouragement in their fair lending review. These findings are based on a review of residential real estate loan applications from January 1, 1997, to July 31, 1998. The prohibited basis group was unmarried joint applicants.

APPENDIX

Content of Standardized Tables

The tables cover the entire CRA evaluation period. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Scope of Examination at the end of this Appendix). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Residential Real Estate Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies.
- Table 3. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (<\$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 4. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (<\$500,000) to farms originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 5. Borrower Distribution of Residential Real Estate Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area.
- Table 6. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (<\$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of

businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 7. Borrower Distribution of Small Farm Loan Originations - Compares the percentage distribution of the number of small loans (<\$500 thousand) originated by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 8. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

Table 9. Distribution of Branch and ATM Delivery System - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

Table 1. Lending Volume

LENDING VOLUME												State: Missouri	Evaluation Period: January 1, 1997 to December 31, 1998	
Assessment Area	% of Total Bank Deposits in Rated Area	Residential Real Estate *		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area		
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			
Full Scope:														
Sikeston AA	99%	991	66,739	605	64,294	161	12,908	6	9,717	1,758	143,981	100.00%		
Limited Scope:														

* Source: Bank prepared reports.

Table 2. Geographic Distribution of Residential Real Estate Loan Originations

Geographic Distribution: Residential-Real Estate Loans		State: Missouri		Evaluation Period: January 1, 1997 to December 31, 1998						
Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Total Residential Real Estate Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	#	% of Total
Full Scope:										
Sikeston AA	N/A	N/A	10.9%	6.4%	59.4%	52.1%	29.6%	42.1%	991	100%
Limited Scope:										

Source: Bank prepared reports.

Table 3. Geographic Distribution of Small Business Loan Originations

Geographic Distribution: SMALL BUSINESS																
State: Missouri																
Evaluation Period: January 1, 1997 to December 31, 1998																
Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full Scope:																
Sikeston AA	N/A	N/A	15.9%	3.6%	49.2%	48.1%	34.9%	44.3%	17	1.7%	N/A	1.1%	1.6%	2.2%	605	100%
Limited Scope:																

* Based on 1997 Aggregate Small Business Data only.

Table 4. Geographic Distribution of Small Farm Loan Originations

Geographic Distribution: SMALL BUSINESS																	State: Missouri		Evaluation Period: January 1, 1997 to December 31, 1998	
Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans					
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full Scope:																				
Sikeston AA	N/A	N/A	12.9%	5.6%	65.6%	87.6%	21.5%	6.8%	29	.59%	N/A	.34%	.64%	.31%	161	100%				
Limited Scope;																				

* Based on 1997 Aggregate Small Farm Data only.

Table 5. Borrower Distribution of Residential Real Estate Loan Originations

Borrower Distribution: Residential Real Estate Loans										
State: Michigan					Evaluation Period: January 1, 1997 to December 31, 1998					
Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Total Residential Real Estate Loans	
	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans	#	% of Total
Full Scope:										
Sikeston AA	22.3%	1%	15.5%	5.8%	19.8%	12%	44.3%	81.3%	991	100%
Limited Scope:										

Table 6. Borrower Distribution of Small Business Loan Originations

Borrower Distribution: SMALL BUSINESS			State: Missouri		Evaluation Period: January 1, 1997 to December 31, 1998					
Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans	
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	Avg Loan Size (000's)
Full Scope:										
Sikeston AA	72.9%	87.1%	66.49%	74.88	13.22	11.90	1.71%	1.90%	605	107
Limited Scope:										

* As a percentage of businesses with known revenues.
 ** As a percentage of loans with revenue information available.
 *** The market consists of all other Small Business reporters in the bank's assessment area and is based on 1997 Aggregate Small Business Data only.
 **** Based on 1997 Aggregate Small Business Data only.

Table 7. Borrower Distribution of Small Farm Loan Originations

Borrower Distribution: SMALL FARMS										
			State: Missouri			Evaluation Period: January 1, 1997 to December 31, 1998				
Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans	
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	Avg Loan Size (000's)
Full Scope:										
Sikeston AA	90.5%	94.3%	95.7%	73.29	22.36	4.35	.59%	.58%	161	76
Limited Scope:										

* As a percentage of farms with known revenues.
 ** As a percentage of loans with revenue information available.
 *** The market consists of all other Small Farms reporters in the bank's assessment area and is based on 1997 Aggregate Small Farms Data only.
 **** Based on 1997 Aggregate Small Farms Data only.

Table 8. Qualified Investments

QUALIFIED INVESTMENTS State: Missouri Evaluation Period: January 1, 1997 to December 31, 1998									
Assessment Areas:	Prior Period Investments			Current Period Investments			Total Investments		
	#	\$ (000's)	%	#	\$ (000's)	%	#	\$ (000's)	% of Total \$'s
Full Scope:									
Sikeston AA	0	0	0%	13	1,933	100%	13	1,933	100%
Limited Scope:									

Table 9. Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM														State: Missouri		Evaluation Period: January 1, 1997 to December 31, 1998			
Assessment Area:	Deposits	Branches						ATMs						Population					
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography					
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp		
Full Scope:																			
Sikeston AA	66.2%	6	60%	N/A	17%	33%	50%	6	60%	N/A	0	33%	67%	N/A	13.6	60.1	26.3		
Limited Scope:																			

Scope of Examination

Time Period Reviewed: January 1, 1997, through December 31, 1998, for Residential Real Estate Loans, Small Loans to Businesses, and Community Development Loans.			
Financial Institution Montgomery First National Bank			Products Reviewed Home Mortgage Loans Small Business Loans Small Farm Loans Community Development Loans
Affiliate(s)	Affiliate Relationship		Products Reviewed
None Reviewed	N/A		N/A
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Exam	Branches Visited	Other Information
Sikeston, Missouri: Cape Girardeau, Mississippi, New Madrid, Pemiscot, Scott, and Stoddard Counties	on-site	1	None