



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 13, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First Missouri National Bank
Charter Number 22706**

**300 W. Lockling
Brookfield, Missouri 64628**

**Comptroller of the Currency
Assistant Deputy Comptroller-Kansas City South
6700 Antioch Road, Suite 450
Merriam, Kansas 66204-1200**

NOTE: This document is an evaluation of this 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. 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.

INSTITUTION'S COMMUNITY REINVESTMENT ACT (CRA) RATING:

This institution is rated Satisfactory.

- First Missouri National Bank's (FMNB) loan-to-deposit (LTD) ratio reflects excellent responsiveness to the credit needs of the bank's assessment areas (AA). The bank's quarterly average LTD ratio since the last CRA examination is 96% based on twenty-four quarters. This is the highest average LTD ratio for the four similarly situated banks in the AA and significantly above the average of 77%.
- FMNB's record of lending within its AA is excellent. A substantial majority of all loans made are located in the AA. For consumer and agriculture loans sampled, the bank originated 87% by number and 89% by dollar amount within its AA.
- FMNB's performance of lending to borrowers of different incomes is satisfactory. Given the demographics of the AA, the distribution of loans reflects a reasonable penetration among individuals of different income levels. Examiners reviewed a sample of 20 loans for each of the bank's primary product types originated in the AA since the previous CRA examination through December 2002.

Performance for consumer lending to low-income individuals is reasonable, considering that 15% of the households in the AA are below poverty level. In addition, loans to moderate-income individuals exceed demographics by number and dollar amount of loans. Based on the sample of twenty consumer loans, 15% by number, or 12% by dollar, were made to low-income borrowers and 40% by number and by dollar were made to moderate-income borrowers. Demographic data from the 2000 census indicates 26% and 18% of households in the AA are designated low- and moderate-income respectively.

Lending performance for 1-4 family owner occupied residential real estate (RRE) to low- and moderate-income individuals is reasonable, considering that 11% of families in the AA are below poverty level. Based on the sample of twenty 1-4 family RRE, 10% by number and 4% by dollar were made to low-income borrowers and 15% by number and 9% by dollar were made to moderate-income borrowers. Demographic data from the 2000 census indicates 20% and 19% of families in the AA are designated low- and moderate-income respectively.

- A geographic distribution of loans analysis is not meaningful as the bank's AA is entirely designated as middle-income census tracts.
- FMNB did not receive any complaints about its performance in helping meet credit needs in the AA during the evaluation period.
- An analysis of the most recent public comments, consumer complaint information, small business, and small farm lending data was performed according to the OCC's risk based fair lending approach. Based on the analysis of the information, the OCC decided a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1997.

DESCRIPTION OF INSTITUTION

FMNB is a \$61 million institution located in Brookfield, Missouri. The bank is headquartered and operates one full service facility and one ATM facility in Brookfield. Consumer installment and 1-4 family owner occupied residential real estate loans are the primary focuses of the bank's loan portfolio. FMNB received an "Outstanding" CRA rating at the last examination dated May 19, 1997. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area (AA) consists of Linn County in Missouri. The AA contains five census tracts, all of which are middle-income tracts. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. There are three other independently owned banks of comparable size and operations, which provide competition in the bank's AA. Competition includes Bank of Brookfield-Purdin with \$65 million in total assets, Bank of Rothville with \$41 million in total assets, and Regional Missouri Bank with \$60 million in total assets.

Please refer to the bank's CRA Public File for more information.