



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 24, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank
Charter Number 7684**

**1105 Gulf Street
Lamar, Missouri 64759**

**Comptroller of the Currency
Dan L. Gipple, Assistant Deputy Comptroller - Kansas City South
1710 East 32nd Street, Fountainside Plaza, Suite H
Joplin, Missouri 64804**

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 CRA RATING

This institution is rated Outstanding.

For the evaluation period of January 1, 1999 through December 31, 2002, The First National Bank's performance of lending to borrowers of different income levels and businesses of different sizes is excellent.

- The distribution of consumer loans to borrowers of different income levels is excellent. Based on a sample of twenty borrowers, the distribution of consumer loans to individuals in both the low- and moderate-income categories significantly exceeds the demographic data used for comparison. All demographic information used or quoted in this Performance Evaluation is based on the 1990 United States Census.
- The distribution of 1-4 family residential real estate loans to borrowers of different income levels is very good. Based on the sample, the distribution of residential real estate loans to individuals in both the low- and moderate-income categories exceeds the demographic data. Demographic data also shows 11.08% of families in the assessment area fall below the poverty level, making it more difficult for these families to qualify for credit based on prudent underwriting standards.
- Management also demonstrates good lending performance to small businesses as a majority of commercial loans are originated to businesses with annual revenues below \$1 million. Based on a sample of twenty commercial borrowers, the distribution of loans to businesses with different revenues compares to the demographic information for the assessment area. All of the loans originated to businesses under \$1 million are to small businesses with annual revenues less than \$500 thousand. In three instances, a proxy was used to estimate revenue amounts because income information was not available. We consider these loans as made to businesses with annual revenues less than \$1 million based on the small dollar amount of the loans.

A substantial majority of loans are originated within the assessment area.

- Based on our sample of the major loan categories of commercial, consumer, and residential loans, management originates 92% of loans (by number) and 80% of loans (by dollar amount) within the assessment area.

The quarterly average loan to deposit ratio is excellent given the bank's size, financial condition, and the amount of competition to serve the credit needs of the assessment area.

- The First National Bank's average loan-to-deposit ratio of 88.35% over the past seventeen quarters is outstanding. The ratio exceeds the 76.7% average loan-to-deposit ratio of four banks of similar size, location, and customer demographics. The loan-to-deposit ratios of these similarly situated banks ranges from a high of 89.5% to a low of 66.3%.

An analysis of the 1999, 2000, 2001, and 2002 public comments and complaint information was performed according to the OCC's risk based fair lending approach. Based on this analysis, a comprehensive fair lending examination is not warranted during this Community Reinvestment Act (CRA) evaluation.

No consumer complaints have been received during the evaluation period regarding The First National Bank's performance in helping to meet the credit needs of the assessment area.

An analysis of the geographic distribution of loans is not applicable, as the entire assessment area is comprised of middle-income geographies.

DESCRIPTION OF INSTITUTION

The First National Bank is a \$47 million bank located in Lamar, Missouri. The First National Bank is controlled by Marshfield Investment Company, a \$451 million multi-bank holding company located in Marshfield, Missouri. The First National Bank offers a full range of both lending and deposit services and has one branch located in Golden City, Missouri. They also have two automated teller machines, one located at the main bank in Lamar, Missouri and one located off premise in Golden City, Missouri. Based on loans originated since the previous CRA examination, the primary loan products by dollar amount and in number of loans originated are commercial/industrial, 1 - 4 family residential real estate, and consumer.

The First National Bank was rated "Satisfactory" at the last CRA examination dated January 4, 1999. There are no legal or financial factors that impede their ability to help meet the credit needs of the assessment area. Please refer to the bank's CRA Public File for more information.

DESCRIPTION OF THE ASSESSMENT AREA

The First National Bank's assessment area meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income neighborhoods. The assessment area includes all three Block Numbering Areas (BNA) of Barton County, the west BNA of Dade County, and one census tract in northeastern Jasper County, which is part of the Joplin, Missouri Metropolitan Statistical Area. These areas represent a contiguous area and are all designated middle income according to the 1990 U.S. Census data. Please refer to the CRA Public File for more information.

We conducted one community contact during this examination. The contact is a director of a local business and labor group. The contact indicates all financial institutions in the area help meet the primary credit needs of the surrounding communities.