



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 16, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Citizens National Bank of Springfield
Charter Number 21857**

**1465 East Sunshine
Springfield, Missouri 65804**

**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 Satisfactory.

For the evaluation period of April 1, 1998 through March 31, 2003, Citizens National Bank's performance of lending to borrowers of different income levels and businesses of different sizes is reasonable. A sample of twenty loans made within the assessment area (AA) for each of the major product types was compared to the demographic data of the AA compiled from the 2000 United States Census.

- The distribution of 1-4 family residential real estate loans to borrowers of different income levels is satisfactory. Management's performance with the 20% by number and 7.86% by dollar of loans originated to low-income borrowers is above demographics of 17% of families in the AA designated as low-income. The bank's performance of loans originated to moderate-income borrowers, although slightly below the 19.58% demographics (for the 10% by number and 6.59% by dollar) is reasonable when the level of competition within the AA is taken into consideration.
- The distribution of consumer loans to borrowers of different income levels is reasonable. Management's performance of 15% by number and 4.86% by dollar for lending to low-income borrowers is comparable to demographics of 21.46%. Although management's performance is below demographics for lending to moderate-income borrowers, the bank's performance is adequate when consideration is given to the level of competition within the AA.
- Management also demonstrates excellent lending performance to small businesses as a substantial majority of commercial real estate loans are originated to businesses with annual revenues below \$1 million. Based on a sample of twenty commercial real estate borrowers, the distribution of loans to small businesses is more favorable than the demographic information for the AA. A significant portion of the loans originated to businesses under \$1 million are actually to small businesses with annual revenues less than \$500 thousand.

Overall, Citizens National Bank's distribution of loans among the various geographies in its AA is reasonable. A sample of twenty loans made within the AA for each of the major product types was compared to the demographic data of the AA compiled from the 2000 United States Census. The penetration of low- and moderate-income geographies for 1-4 family residential real estate loans generally exceeds demographics. The penetration into the low- and moderate income geographies for consumer loans and commercial real estate loans is considered adequate given the location of the bank's offices and the number and location of other financial institutions in the AA in relation to these geographies.

Management has also made an effort to make housing loans to assist low-and moderate-income individuals. This is demonstrated by the five loans they originated totaling \$2,357,000 during the evaluation period specifically designated for providing low- and moderate-income housing.

A substantial majority of loans are originated within the AA.

- Based on our sample of the major loan categories of residential real estate, commercial real estate, and consumer loans, management originates 95% of loans by number and 97% of loans by dollar amount within the AA.

The quarterly average loan to deposit ratio is good given the bank's size, financial condition, and the high level of competition to serve the credit needs of the AA.

- Citizens National Bank's average loan-to-deposit ratio of 86.67% over the past twenty quarters is good. While the ratio is below the 92.36% average loan-to-deposit ratio of six banks of similar size, location, and customer demographics, it is still considered very good for the highly competitive market in which the bank operates. The quarterly average loan-to-deposit ratios of these similarly situated banks ranges from a low of 68.94% to a high of 101.86%.

An analysis of the 1998, 1999, 2000, 2001, and 2002 public comments and complaint information was performed according to the OCC's risk based fair lending approach. The OCC found no evidence of illegal discrimination or other illegal credit practices and decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation.

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

DESCRIPTION OF INSTITUTION

Citizens National Bank of Springfield is a \$197 million bank located in Springfield, Missouri. The bank is controlled by Citizens National Bancorp Inc., a one-bank holding company also located in Springfield, Missouri. Citizens National Bank offers a full range of both lending and deposit services and has three branches all located in Springfield, Missouri. They also have an automated teller machine at each bank location. The bank's primary loan products consist of 1 - 4 family residential real estate, commercial real estate, and consumer loans. Citizens National Bank was rated "Satisfactory" at the last CRA examination dated June 18, 1998. There are no legal or financial factors that impede their ability to help meet the credit needs of the AA.

DESCRIPTION OF THE ASSESSMENT AREA

Citizens National Bank's AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income neighborhoods. The AA is comprised of the Springfield, Missouri Metropolitan Statistical Area (MSA). The MSA represents a contiguous area and is comprised of the Southwest Missouri counties of Greene, Christian, and Webster. Based on 2000 U.S. Census information, the MSA contains two low-income, 15 moderate income, 42 middle income, and 19 upper-income tracts.

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