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Comptroller of the Currency  
Midwestern District

SMALL BANK

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## **PUBLIC DISCLOSURE**

**April 27, 1998**

# **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**Metropolitan National Bank  
Charter Number 17591**

**600 South Glenstone  
Springfield, Missouri 65802**

**Comptroller of the Currency  
Midwestern District  
Joplin Field Office  
1710 East 32nd Street  
Joplin, Missouri 64804**

**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 Community Reinvestment Act (CRA) performance of Metropolitan National Bank, prepared by the Office of the Comptroller of the Currency (OCC), the institution's supervisory agency, as of April 27, 1998. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

**INSTITUTION'S CRA RATING:** This institution is rated: "Satisfactory."

- ▶ Loans are reasonably distributed to borrowers of various income levels.
- ▶ A substantial majority of the bank's loans are made within its assessment area.
- ▶ The bank's loan-to-deposit ratio is reasonable.
- ▶ The geographic distribution of the bank's loans in its assessment area is reasonable.

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## **DESCRIPTION OF INSTITUTION**

Metropolitan National Bank (MNB) is a \$219 million, community bank in Springfield, Missouri. MNB is majority owned by Marshfield Investment Company, a three-bank holding company located in Marshfield, Missouri.

The bank currently serves its community with six offices, the main office in Springfield, two branches in Marshfield and branches in Springfield, Ozark, and Nixa. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment area.

The bank's lending strategy focuses on commercial and 1-4 family residential real estate loans. The loan portfolio represents 76% of total assets, distributed as follows: commercial (46%) and 1-4 family residential (40%).

## **DESCRIPTION OF METROPOLITAN NATIONAL BANK'S ASSESSMENT AREA**

MNB's assessment area consists of Metropolitan Statistical Area (MSA) 7920. The MSA contains Christian, Greene, and Webster counties. It includes two low-income, twenty moderate-income, thirty-four middle-income, and ten upper-income census tracts. The main bank and five branches are located in the assessment area. MNB is one of twenty seven-banks in the assessment area. There are also numerous branch banks in the assessment area.

The approximate populations of the four towns in which the bank has facilities are: Springfield 150,000; Marshfield 4700; Nixa 11,000; and Ozark 7,000. The local economy is well-diversified with health care, manufacturing, retail trade, agriculture, and higher education.

The updated U.S. Census 1990 median family income for the assessment area is \$41,600. The bank's assessment area population of 264,346 contains 18% low-income families, 19% moderate-income families, 24% middle-income families and 39% upper-income families.

Examiners from banking regulatory agencies spoke with four community contacts in the Springfield MSA during the last year. The contacts included a school administrator, local business people, and a representative of a local public/private coalition. The contacts indicated they were not aware of any unmet community credit needs.

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## CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

### *Lending to Borrowers of Various Income Levels and Businesses of Different Sizes*

MNB has reasonable lending penetration among borrowers of different income levels. In part, we based our conclusion on a review of the bank's year end 1997 and first quarter 1998 Home Mortgage Disclosure Act (HMDA) reports. The HMDA reports show borrower income information on residential real estate loans made for the purpose of purchase, refinance, or home improvement.

Residential real estate loans represent 40% of the total dollar volume and 27% of the total number of loans in the bank's portfolio. The following table illustrates our findings:

<b>Loan distribution by family income</b>				
<b>Income Level</b>	Low-Income	Moderate-Income	Middle-Income	Upper-Income
<b>% of Families</b>	18%	19%	24%	39%
<b>% of Residential Real Estate Loans</b>	9%	13%	25%	53%

MNB makes loans to businesses of different sizes. We based our conclusion on a review of 13% of the bank's commercial loans shown on the examiner verified loan trial balance. We used loan size as a proxy to stratify businesses of different sizes. Commercial loans are 46% by dollar volume and 22% by number of the bank's loan portfolio.

The following table illustrates our findings:

<b>Commercial Loans by Dollar Size</b>					
<b>Loan size used as proxy</b>	\$100M or Less	\$100M to \$200M	\$200M to \$500M	\$500M to \$1MM	Over \$1MM
<b>% of Commercial Loans</b>	66%	14%	16%	2%	2%

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

MNB originates a majority of its loans within the assessment area. We based this conclusion on our review of borrower addresses shown on examiner verified bank reports. We reviewed 23% of the total number of consumer loans and 29% of the total number of commercial loans. Our sample showed that 89% of the bank's residential real estate and commercial loans were made within its assessment area.

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

The bank's loan-to-deposit ratio is reasonable. MNB had an average loan-to-deposit ratio of 82% since the last CRA examination dated October 30, 1995. The loan-to-deposit ratio has ranged from a low of 76% at June 30, 1996 to a high of 90% at March 31, 1997. The loan-to-deposit ratio of five other community banks that also serve the assessment area ranged from 67% to 88% at December 30, 1997.

### ***Geographic Distribution of Loans***

The geographic distribution of the bank's loans in its assessment area is reasonable. In part, we based our conclusion on our review of census tract information from the bank's year end 1997 and first quarter 1998 HMDA reports. The bank originated no loans in the two low-income census tracts since the last examination. This is not unreasonable as less than 1% of the MSA population lives there and less than 4% of the housing units are owner occupied. The bank's lending in moderate-income tracts is reasonable as 65% of the moderate-income tracts are not convenient to MNB locations. These areas are serviced by numerous other banks.

The following table illustrates our findings:

<b>Loan Distribution by Census Tract Income Level</b>				
<b>Income Level</b>	<b>Low-Income</b>	<b>Moderate-Income</b>	<b>Middle-Income</b>	<b>Upper-Income</b>
<b>% of Households</b>	1%	22%	60%	17%
<b>% of Residential Real Estate Loans</b>	0%	8%	72%	20%

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

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