



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

August 13, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Old Missouri National Bank
Charter Number 23881**

**1535 West Sunshine Street
Springfield, Missouri 65807**

**Comptroller of the Currency
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Kansas City South Field Office
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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.

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 Old Missouri National Bank, Springfield, Missouri as prepared by The Comptroller of the Currency, the institution's supervisory agency, as of August 13, 2001. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

INSTITUTION'S CRA RATING This institution is rated satisfactory.

Old Missouri National Bank is helping to meet the credit needs of its assessment area. Major factors supporting this rating are:

- Lending to borrowers of different income levels and businesses of different sizes is reasonable.
- The distribution of lending in all geographies in the assessment area is reasonable.
- The loan-to-deposit ratio is excellent.
- A majority of loans are within the assessment area.

Our conclusions are based on a review of Old Missouri National Bank's (Old Missouri) CRA efforts since the bank opened in July 1999 through June 30, 2001.

DESCRIPTION OF INSTITUTION

Old Missouri is a \$32 million institution owned by Jamesmark Bankshares, Inc, a one-bank holding company. The holding company is headquartered in Springfield, Missouri and is the same size as the bank in total assets. The bank's main office, also located in Springfield, Missouri, includes a depository automated teller machine. There are no branch locations. Net loans represent 81 percent of total assets. Old Missouri offers a full range of both lending and deposit services.

Commercial lending is the bank's primary lending focus. As of March 31, 2001, the dollar volume of Old Missouri's loan portfolio consists of 51 percent real estate loans, 34 percent commercial loans, 8 percent consumer loans, and 7 percent agricultural loans. Construction loans and non-farm, non-residential loans are 12 percent and 14 percent of the real estate category, respectively.

The following table represents loan originations and purchases since the bank opened in July 1999.

LOAN TYPE	NUMBER OF LOANS	DOLLAR VOLUME OF LOANS
Agricultural	16 percent	18 percent
Commercial	28 percent	29 percent
Real Estate - Conventional	11 percent	17 percent
Real Estate - Commercial	11 percent	26 percent
Home Equity	2 percent	1 percent
Installment	32 percent	9 percent

Based on loan origination information, the primary loan products are commercial, commercial real estate, and installment loans.

There are no legal or financial constraints that impede the bank's CRA efforts. This is Old Missouri's first CRA performance evaluation.

DESCRIPTION OF SPRINGFIELD, MISSOURI MSA

Old Missouri has the one assessment area (AA) of the Springfield, Missouri MSA (Springfield MSA), which meets regulatory requirements. From 1990 U.S. Census data, the AA consists of 2 tracts or 3 percent low-income, 20 tracts or 30 percent moderate-income, 34 tracts or 52 percent middle-income, and 10 tracts or 15 percent upper-income.

The updated HUD, MSA median family income for 2001 is \$48,600. This compares to the 1990 census median family income of \$29,389. In the Springfield MSA, 18.46 percent of families are low-income, 18.66 percent are moderate-income, 24.41 percent are middle-income, and 38.47 percent are upper-income. The AA has a population of 264,346 persons. The median housing value is \$56 thousand and the percentage of owner occupied housing is 62 percent. The percentage of households below poverty level is approximately 15 percent.

Major employers in the Springfield MSA are located in Springfield, Missouri. They include Cox Health Systems, St. John's Health System, Springfield Public Schools, and Southwest Missouri State University. As of June 2001, the unemployment rate is 3 percent, and economic conditions are good. Competition is strong with numerous banks in the Springfield MSA ranging in asset size from \$32 million to \$9 billion. Many of the financial institutions are branches of large banks and savings institutions.

During the evaluation, we made one community contact with a government organization in Springfield, Missouri. According to our community contact, primary credit needs are more flexible home and small business loan products, especially for low- and moderate-income individuals. The contact stated banks are very helpful in helping meet community credit needs. Opportunities for community development activities are available through programs sponsored by the city of Springfield. There is also a Community Development Corporation in Springfield that provides community development loans.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Old Missouri's lending to borrowers of different income levels and businesses of different sizes is reasonable.

Primary products are commercial, commercial real estate, and installment loans.

We reviewed twenty commercial loans and twenty commercial real estate loans originated since the bank opened in July 1999 through June 30, 2001, which is our evaluation period. Old Missouri is doing a good job lending to small businesses with revenues less than \$1 million. The following table summarizes the bank's performance compared to the percentage of businesses in the bank's assessment area.

	Commercial Loans		Commercial Real Estate Loans		% of AA Businesses
	#	\$	#	\$	
Revenues < \$1 million	75%	67%	90%	95%	87%
Revenues > \$1 million	10%	11%	10%	5%	10%
Revenues not reported	15%	22%	0%	0%	3%

Commercial loans to small businesses are comparable to demographics, and commercial real estate loans to small businesses are above demographics by both number and dollar volume. Small business loans are identified as a primary credit need by our community contact.

We also reviewed twenty installment loans originated during our evaluation period. The percentage of installment loans to moderate-income individuals is above demographics in both number and dollar amount.

The following table summarizes the bank's performance compared to the percentage of households in the bank's assessment area.

Installment loans

Income level	# of loans	\$ amount of loans	% of households
Low-income	10%	4%	24%
Moderate-income	25%	23%	16%
Middle-income	15%	18%	20%
Upper-income	45%	54%	40%
Not reported	5%	1%	

The volume of loans originated to low-income individuals is low. This low performance is somewhat mitigated by the fact that approximately 15 percent of households in the bank's AA are below the poverty level and may not qualify for consumer loan products. Also, the bank is still trying to penetrate its AA market since opening in July 1999. Competition from other financial institutions is strong, and the bank's asset size is small compared to other banks in the AA.

Geographic Distribution of Loans

Old Missouri's performance in lending to all geographies within the assessment area (AA) is reasonable.

The analysis reflects lending in most tracts in the AA. Primary products and loan samples are the same as those used for the analysis of lending to borrowers of different incomes and to businesses of different sizes. The following table summarizes the bank's performance compared to the percentage of businesses in each tract income category.

Tract Income Level	Commercial Loans		Commercial Real Estate Loans		% of businesses in each tract
	#	\$	#	\$	
Low-Income	10%	10%	0	0	4%
Moderate-Income	5%	1%	15%	22%	16%
Middle-Income	50%	66%	55%	56%	63%
Upper Income	35%	24%	30%	22%	17%

The bank is doing a good job making commercial loans in low-income tracts. Commercial lending in moderate-income tracts is below demographics. Low penetration is due to strong competition from other institutions and the bank has not had sufficient time to fully penetrate the market. The bank opened in July 1999. Old Missouri's asset size is small compared to most other banks in the AA.

Commercial real estate lending in moderate-income tracts is comparable to demographics by number of loans and above demographics by dollar volume. Our sample did not have any commercial real estate loans in low-income tracts. Commercial loan mitigating factors stated above also apply to commercial real-estate loans.

If the commercial loan categories are combined for analysis purposes, penetration by number of loans is 5 percent in low-income tracts and 10 percent in moderate-income tracts. By dollar volume, penetration is 2 percent in low-income tracts and 17 percent in moderate-income tracts. Penetration is reasonable for combined commercial loan categories.

The following table summarizes the bank’s performance compared to the percentage of households in each tract income category.

Installment loans

Tract Income level	# of loans	\$ amount of loans	% of households in each tract
Low-income	0	0	1%
Moderate-income	15%	20%	23%
Middle-income	70%	65%	59%
Upper-income	15%	14%	17%

The dollar amount of installment loans originated in moderate-income tracts is comparable to demographics. By number of loans, penetration in moderate-income areas is adequate. The percentage of households in low-income tracts is not significant.

Loan-to-Deposit Ratio

Old Missouri’s loan-to-deposit (LTD) ratio is excellent. The quarterly average LTD ratio since the bank opened is 91 percent. This compares to quarterly average LTD ratios of five similarly situated banks ranging from 68 percent to 106 percent. Old Missouri has the second highest ratio of these banks, which are similarly situated banks based on asset size from \$29 to \$72 million with one to three offices in Greene County where the bank is located. None of the banks have offices outside this area.

Lending in Assessment Area

Lending in the assessment area is good. A majority of Old Missouri’s loan originations and purchases, by both number and dollar amount, are in its AA. We sampled 20 loans each of commercial, commercial real estate, and installment loans. Loan samples were randomly selected from loan originations since the bank opened in July 1999. The following table represents our findings.

LOAN TYPE	IN THE AA	
	#	\$
Commercial	85%	89%
Commercial Real Estate	75%	88%
Consumer	70%	59%
TOTALS	77%	87%

Responses to Complaints

Old Missouri has not received any complaints about its CRA performance.

Fair Lending Review

An analysis of recent public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its 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.