

# **PUBLIC DISCLOSURE**

January 16, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Citizens Bank & Trust  
Certificate Number: 14293

101 North Main Street  
Rock Port, Missouri 64482

Federal Deposit Insurance Corporation  
Division of Depositor and Consumer Protection  
Kansas City Regional Office

1100 Walnut Street, Suite 2100  
Kansas City, Missouri 64106

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.

## TABLE OF CONTENTS

INSTITUTION RATING .....	1
DESCRIPTION OF INSTITUTION .....	1
DESCRIPTION OF ASSESSMENT AREA.....	2
SCOPE OF EVALUATION.....	4
CONCLUSIONS ON PERFORMANCE CRITERIA.....	5
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW .....	7
APPENDICES .....	8
SMALL BANK PERFORMANCE CRITERIA.....	8
GLOSSARY.....	9

## INSTITUTION RATING

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

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Citizens Bank & Trust's satisfactory Community Reinvestment Act (CRA) performance under the Lending Test supports the rating. The following points summarize the bank's performance.

**The Lending Test is rated Satisfactory.**

- The loan-to-deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs.
- A majority of reviewed loans were located within the assessment area.
- The assessment area does not include any low- or moderate-income geographies, and a review of the Geographic Distribution criterion would not result in a meaningful conclusion. Therefore, this criterion was not evaluated.
- The distribution of borrowers reflects reasonable penetration of lending among farms and businesses of different sizes and individuals of different incomes.
- The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this factor did not affect the rating.

## DESCRIPTION OF INSTITUTION

Citizens Bank & Trust is a full-service community bank operating from its headquarters in Rock Port, Missouri, and one additional branch office in Mound City, Missouri. The bank does not have a holding company, and there are no lending subsidiaries or affiliates. Citizens Bank & Trust received a Satisfactory rating at its previous FDIC Performance Evaluation dated January 8, 2018, based on Small Institution Examination Procedures. The institution has not opened any branches or been involved in any mergers or acquisitions since the previous evaluation. On November 1, 2019, the institution closed its branch in Craig, Missouri. This branch was located in a middle-income census tract, and therefore, the closing did not impact low- and moderate-income areas.

Citizens Bank & Trust's loan products include agricultural, commercial, home mortgage, and consumer lending. Agricultural loans continue to be the bank's primary lending focus. The institution provides a variety of deposit services including checking, savings, money market deposit accounts, and certificates of deposit. Alternative banking services include online banking, bill pay, mobile banking, mobile deposit, and telephone banking. Additionally, the bank maintains non-deposit taking ATMs at each facility.

The bank's September 30, 2023 Reports of Condition and Income reflected total assets of \$112 million, total loans of \$54 million, and total deposits of \$102 million. The following table illustrates the noted loan portfolio.

<b>Loan Portfolio Distribution as of 9/30/2023</b>		
<b>Loan Category</b>	<b>\$(000s)</b>	<b>%</b>
Construction, Land Development, and Other Land Loans	\$1,585	2.9
Secured by Farmland	\$18,449	34.1
Secured by 1-4 Family Residential Properties	\$7,932	14.6
Secured by Multifamily (5 or more) Residential Properties	\$327	0.6
Secured by Nonfarm Nonresidential Properties	\$8,822	16.3
<b>Total Real Estate Loans</b>	<b>\$37,115</b>	<b>68.5</b>
Commercial and Industrial Loans	\$5,362	9.9
Agricultural Production and Other Loans to Farmers	\$6,276	11.6
Consumer Loans	\$2,048	3.8
Obligations of State and Political Subdivisions in the U.S.	-	-
Other Loans	\$3,351	6.2
Lease Financing Receivable (net of unearned income)	-	-
Less: Unearned Income	-	-
<b>Total Loans</b>	<b>\$54,152</b>	<b>100.0</b>
<i>Source: Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that would affect the bank's ability to meet the assessment area's credit needs.

## **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. Citizens Bank & Trust designated a single assessment area comprised of two contiguous, nonmetropolitan counties located in the northwestern corner of Missouri. The assessment area includes all of Atchison County, which is comprised of census tracts 9501.00 and 9502.00, and all of Holt County, which is comprised of census tracts 9601.00, 9602.00 and 9603.00. There have been no changes to the boundaries of the assessment area since the prior evaluation.

### **Economic and Demographic Data**

According to 2020 U.S. Census data, all five census tracts in the bank's assessment area are designated as middle-income. The following table illustrates select demographic characteristics of the assessment area.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	100.0	0.0	0.0
Population by Geography	9,528	0.0	0.0	100.0	0.0	0.0
Housing Units by Geography	5,740	0.0	0.0	100.0	0.0	0.0
Owner-Occupied Units by Geography	3,301	0.0	0.0	100.0	0.0	0.0
Occupied Rental Units by Geography	1,258	0.0	0.0	100.0	0.0	0.0
Vacant Units by Geography	1,181	0.0	0.0	100.0	0.0	0.0
Businesses by Geography	1,226	0.0	0.0	100.0	0.0	0.0
Farms by Geography	299	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	2,761	17.8	17.3	22.1	42.8	0.0
Household Distribution by Income Level	0	0.0	0.0	0.0	0.0	0.0
Median Family Income Non-MSAs - MO		\$56,957	Median Housing Value			\$93,178
Families Below Poverty Level		7.6%	Median Gross Rent			\$543
<i>Source: 2020 U.S. Census and 2022 D&amp;B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The service industries represent the largest portion of the businesses in the assessment area at 23.4 percent; followed by agriculture, forestry, and fishing at 19.61 percent; and non-classifiable establishments at 19.2 percent. In addition, 67.2 percent of area businesses have four or fewer employees, and 89.0 percent operate from a single location. The top employers in the assessment area include Fairfax Community Hospital, Advanced Pork Systems, the Rock Port School District, and Rock Port Telephone/Midwest Data.

The 2022 Federal Financial Institutions Examination Council's (FFIEC) median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle-, and upper-income categories for the nonmetropolitan area of Missouri are presented in the following table.

Median Family Income Ranges in Nonmetropolitan Missouri				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2022 (\$63,500)	<\$31,750	\$31,750 to <\$50,800	\$50,800 to <\$76,200	≥\$76,200
<i>Source: FFIEC</i>				

### **Competition**

The bank operates in a moderately competitive market for financial services. According to the June 30, 2023 FDIC Deposit Market Share data, 6 financial institutions operate 10 full-service branches within Atchison and Holt counties. Citizens Bank & Trust ranked second with a 25.6 percent deposit market share.

### **Community Contact**

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit needs. This information helps determine whether local financial institutions are responsive to these needs and shows what credit opportunities are available.

Examiners interviewed a community contact who was a member of an economic development organization within the assessment area. The community contact identified a credit need for start-up businesses. It was the contact's perception that down payment requirements at local financial institutions presented a challenge for some borrowers. The contact also mentioned opportunities for banks to lend to wind farms and agricultural-related businesses within the area. Additionally, the community contact indicated there was a shortage of available housing stock in the area. Overall, the contact stated that there are opportunities for local financial institution involvement, and indicated that financial institutions appear to be addressing community credit needs.

### **Credit Needs**

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that small farm and small business loans represent the primary credit needs for the assessment area. In addition, small business loans, particularly those for start-up businesses, are in demand.

## **SCOPE OF EVALUATION**

### **General Information**

This evaluation covers the period from the previous evaluation dated January 8, 2018, to the current evaluation dated January 16, 2024. Examiners used Interagency Small Institution Examination Procedures to evaluate the bank's performance. These procedures focus on the bank's performance under the Lending Test as outlined in the Small Bank Performance Criteria Appendix.

### **Activities Reviewed**

Examiners determined that the bank's major product lines are small farm, small business, and home mortgage loans. This conclusion considered the bank's business strategy, review of bank records of the number and dollar volume of loans originated during the evaluation period, and the loan portfolio composition. Since examiners determined that agricultural loans are the bank's primary product line, this loan category received the most weight in determining overall conclusions, followed by small business loans and home mortgage loans to a lesser degree.

Management stated the bank's 2022 lending patterns are generally representative of its overall lending patterns since the prior evaluation, and bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. Therefore, examiners reviewed all small business, small farm, and home mortgage loans made in 2022 to evaluate the bank's lending performance. In 2022, the bank originated 33 small farm loans totaling \$3.7 million, 40 small business loans totaling \$4.2 million, and 15 home mortgage loans totaling \$2.8 million. The 2022 D&B data provided a standard of comparison for the bank's small farm and small business lending performance, and the 2020 U.S. Census data provided a standard of comparison for the bank's home mortgage lending performance.

For the Lending Test, examiners reviewed the entire universe of loans to evaluate the Assessment Area Concentration criterion. Examiners reviewed all small farm, small business, and home mortgage loans made inside the assessment area to evaluate the Borrower Profile criterion. This analysis included 28 small farm loans totaling \$3.1 million, 29 small business loans totaling \$2.0 million, and 13 home mortgage loans totaling \$2.3 million.

## CONCLUSIONS ON PERFORMANCE CRITERIA

### LENDING TEST

Overall, Citizens Bank & Trust demonstrated satisfactory performance under the Lending Test. The bank’s performance in all evaluated criteria supports this conclusion.

#### Loan-to-Deposit Ratio

The bank’s loan-to-deposit ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. The loan-to-deposit ratio averaged 51.9 percent over the past 23 quarters from March 31, 2018, through September 30, 2023. The ratio ranged from a low of 42.3 percent as of March 31, 2022, to a high of 65.0 percent as of September 30, 2020.

When evaluating a bank’s average net loan-to-deposit ratio, examiners typically compare the subject institution’s ratio to similarly situated institutions. These similarly situated are identified based on their asset size, product mix, area served, and the geographic location/proximity compared to the subject bank. However, examiners did not identify any similarly situated institutions in the assessment area.

#### Assessment Area Concentration

Overall, the bank originated a majority of its small farm, small business, and home mortgage loans within its assessment area. A majority of small business loans by dollar volume were outside of the assessment area as the bank originated one loan for a large dollar amount outside of the area, which skewed the results. However, examiners focused on the percentage of loans by number volume originated within the assessment area, as it is a better indicator of the number of farms, businesses, and individuals served. See the following table for details.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	29	72.5	11	27.5	40	2,047	48.5	2,177	51.5	4,224
Small Farm	28	84.8	5	15.2	33	3,122	84.3	581	15.7	3,703
Home Mortgage	13	86.7	2	13.3	15	2,320	81.4	529	18.6	2,849
<b>Total</b>	<b>70</b>	<b>79.5</b>	<b>18</b>	<b>20.5</b>	<b>88</b>	<b>7,489</b>	<b>69.5</b>	<b>3,287</b>	<b>30.5</b>	<b>10,776</b>

*Source: Bank Data*

### **Geographic Distribution**

The assessment area does not include any low- and moderate-income geographies, and a review of the Geographic Distribution criterion would not result in meaningful conclusions. Therefore, this criterion was not evaluated.

### **Borrower Profile**

The distribution of borrowers reflects reasonable penetration among farms and businesses of different revenue sizes and individuals of different income levels. The conclusion is supported by the bank's reasonable lending performance for all three loan categories. Examiners focused on the dispersion of small farm and small business loans to operations with gross annual revenues of \$1 million or less, and home mortgage loans to low- and moderate-income borrowers.

### ***Small Farm Lending***

The distribution of small farm loans reflects a reasonable penetration. The following table shows the bank's performance to farms with revenues of \$1 million or less lags demographic data for this same revenue category. However, the bank's performance is still considered reasonable due to the large number of hobby farmers and farms not currently borrowing in the bank's assessment area. This is supported by the 2017 Census of Agriculture, which noted that 46.9 percent of farmers in the assessment area do not list farming as their primary occupation, and 55.2 percent of farms in the assessment area that did not report any interest expense.

<b>Distribution of Small Farm Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Farms</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	98.7	19	67.9	1,642	52.6
>\$1,000,000	1.0	9	32.1	1,480	47.4
Revenue Not Available	0.3	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>28</b>	<b>100.0</b>	<b>3,122</b>	<b>100.0</b>

*Source: 2022 D&B Data, Bank Data*

### ***Small Business Loans***

The distribution of small business loans reflects a reasonable penetration. The following table shows the bank's performance to businesses with revenues of \$1 million or less is comparable to demographic data for this same revenue category.

<b>Distribution of Small Business Loans by Gross Annual Revenue Category</b>					
<b>Gross Revenue Level</b>	<b>% of Businesses</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
<=\$1,000,000	82.9	25	86.2	1,187	58.0
>\$1,000,000	3.0	4	13.8	860	42.0
Revenue Not Available	14.1	0	0.0	0	0.0
<b>Total</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>2,047</b>	<b>100.0</b>

*Source: 2022 D&B Data, Bank Data*

### ***Home Mortgage Lending***

The distribution of home mortgage loans to individuals of different income levels is reasonable. As shown in the following table, the percentage of loans to moderate-income borrowers is comparable to demographic data. While the bank's performance to low-income borrowers lags demographic data, the performance is still considered reasonable given low-income borrowers in the assessment area make below \$31,750 per year. At this income level, individuals are more likely to experience difficulty in qualifying for home mortgage loans due to monthly payment and down-payment requirements. This issue is compounded by the limited housing stock in the area, as noted by the community contact.

<b>Distribution of Home Mortgage Loans by Borrower Income Level</b>					
<b>Borrower Income Level</b>	<b>% of Families</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Low	17.8	1	7.7	12	0.5
Moderate	17.3	2	15.4	84	3.6
Middle	22.1	2	15.4	103	4.4
Upper	42.8	8	61.5	2,121	91.4
<b>Total</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>2,320</b>	<b>100.0</b>

*Source: 2020 U.S. Census; Bank Data  
Due to rounding, totals may not equal 100.0%*

### **Response to Complaints**

The bank did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the rating.

### **DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

## APPENDICES

### SMALL BANK PERFORMANCE CRITERIA

#### Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

## GLOSSARY

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**American Community Survey (ACS):** A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

**Area Median Income:** The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

**Assessment Area:** A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

**Census Tract:** A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

**Combined Statistical Area (CSA):** A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Core Based Statistical Area (CBSA):** The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

**FFIEC-Estimated Income Data:** The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

**Full-Scope Review:** A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

**Home Mortgage Loans:** Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

**Housing Unit:** Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

**Limited-Scope Review:** A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Median Income:** The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

**Metropolitan Division (MD):** A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary

counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area (MSA):** CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

**Multi-family:** Refers to a residential structure that contains five or more units.

**Nonmetropolitan Area (also known as non-MSA):** All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Rated Area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Rural Area:** Territories, populations, and housing units that are not classified as urban.

**Small Business Loan:** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

**Small Farm Loan:** A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-Income:** Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

**Urban Area:** All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.