



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

October 16, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Oakstar Bank, National Association
Charter Number 24605

1020 East Battlefield Road
Springfield, Missouri 65807-0000

Office of the Comptroller of the Currency

Kansas City South Field Office
1710 East 32nd Street, Suite H
Joplin, Missouri 64804-4100

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.

Oakstar Bank, National Association helps meet the community needs of its assessment area.

- The bank's loan-to-deposit ratio is excellent based on the competitive environment and the opportunities for loan growth within the assessment area.
- The bank's loans are reasonably distributed among borrowers of various income levels and businesses of various sizes.
- The bank has a satisfactory record of lending within the assessment area.
- The bank has received no consumer complaints concerning its performance in meeting the community's credit needs.

SCOPE OF EXAMINATION

Our objectives were to assess the bank's ability to serve and meet the community's needs within its assessment area (AA). The bank remains intrastate with no branches outside of Missouri and is located in the Springfield, Missouri Metropolitan Statistical Area (MSA). We used loan originations from October 2005 to September 2007 in our evaluation. We identified the bank's primary products as commercial (including commercial real estate) and residential real estate by the number and dollar amount of loans originated. We reviewed a sample of 30 loans for each of the bank's primary product types since the bank opened in October 2005.

DESCRIPTION OF INSTITUTION

Oakstar Bancshares, a one-bank holding company, owns 100 percent of Oakstar Bank, N.A. (Oakstar), a \$68 million institution located in Springfield, Missouri. The bank headquarters in Springfield and operates one full-service facility in Greene County, Missouri. Commercial and residential real estate loans followed by consumer loans are the primary loan types in the bank's loan portfolio.

This is the first CRA examination for Oakstar since its inception in October 2005. The bank has not yet filed its Home Mortgage Disclosure information. We found no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA.

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

DESCRIPTION OF ASSESSMENT AREA

Oakstar's AA include the Counties of Greene and Christian, part of the Springfield, Missouri MSA. The AA consists of 2 low-, 15 moderate-, 36 middle-, and 21 upper-income census tracts. The tracts are contiguous, include geographies where the bank is located, and represent where the bank originates a substantial majority of its loans. The AA meets the requirements of the regulation. There are 43 banks with 164 banking offices within the AA.

The weighted average of HUD MSA Median Family Income was updated to \$51,400 in 2006. The median value of housing is \$91,684 and 62 percent is owner-occupied. The 2006 census indicates that 12 percent of the households were below poverty level. While there are two low-income tracts located in the AA, low and moderate families represent 16.31 percent and 18.77 of the AA's population. Middle and upper-income families represent 23.73 percent and 41.20 percent, respectively.

We made one community contact during this examination, which indicated all financial institutions in the area assist in meeting the business credit needs of the surrounding communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

Oakstar's average loan-to-deposit (LTD) ratio is excellent and reflects more than reasonable lending levels in the assessment area's (AA) credit needs. The bank's quarterly average LTD ratio since the bank opened is 107 percent based on the last seven quarters. This is the highest average LTD ratio of the three similarly situated banks in the AA and well above the average of 98 percent.

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

Oakstar has a satisfactory record of lending to borrowers of different income levels and small businesses with revenues of less than \$1 million. The distribution of loans, given the demographics of the AA, reflects a reasonable penetration among individuals of different income levels, as well as businesses of different sizes.

Lending to borrowers of different income levels is satisfactory. Performance for residential real estate lending to low- and moderate-income individuals is reasonable given the demographics. Based on the bank's residential real estate (purchase and refinance) originations during the evaluation period, 7 percent by number and 3 percent by dollar were made to low-income borrowers, while 11.11 percent by number and 3.88 percent by dollar were made to moderate-income borrowers. Demographic data from the 2000 census indicates 16 percent and 19 percent of families in the AA are designated low- and moderate-income, respectively. Approximately 8 percent of families in the AA are below poverty level.

Oakstar's lending for commercial real estate loans is excellent. Based on the sample of 30 commercial real estate loans, 81 percent by number and 64 percent by dollar were made to small businesses (revenues less than \$1 million). Demographic data for 2006 indicates 62 percent of the businesses in the AA have revenues less than \$1 million.

Geographic Distribution of Loans

Oakstar's geographic distribution of credit reflects satisfactory penetration throughout the AA. The volume of commercial lending in moderate-income census tracts is satisfactory. Residential real estate lending in low- and moderate-income areas is adequate.

The bank's penetration of commercial loans in low-income tracts exceeds demographics at 3.70 percent by number. Demographic data indicates 3.68 percent of all businesses in the AA are located in low-income census tracts. Penetration of commercial loans in moderate-income tracts exceeds demographics at 22.22 percent by number and 7.79 percent by dollar. Demographic data indicates 16.06 percent of all businesses in the AA are located in moderate-income census tracts.

Oakstar did not originate any residential real estate loans in low-income areas. However, demographic data indicates only 0.04 percent of the owner-occupied housing in the AA are in low-income tracts. And, of the housing units in low-income tracts, only 1.97 percent of owner-occupied. Penetration of residential real estate lending in moderate-income areas is excellent at 16.67 percent by number. Demographic data indicates 14.64 percent of the owner-occupied housing in the AA is in moderate-income tracts. And, of the homes in moderate-income census tracts, 44.43 percent are owner-occupied.

Lending in Assessment Area

The bank has an excellent record of lending within its AA, as Oakstar originated a majority of its loans in its AA. For commercial loans and residential real estate (purchase and refinance) loans sampled, the bank originated 90 percent by number and 92 percent by dollar amount within its AA.

Responses to Complaints

Oakstar did not receive any complaints about its performance in helping to meet credit needs in the AA during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.