



**SMALL BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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**PUBLIC DISCLOSURE**

**April 17, 2006**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**The First National Bank of Lindsay  
Charter Number 6171**

**101 South Main  
Lindsay, Oklahoma 73052**

**Comptroller of the Currency  
Assistant Deputy Comptroller Kyle M. Jones  
Oklahoma City 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.

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## **INSTITUTION'S CRA RATING:**

**This institution is rated Satisfactory.**

The major factors that support this rating include:

- A substantial majority of the loans sampled were originated within the bank's assessment area.
- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- The bank's distribution of loans to borrowers of different incomes and to businesses of different sizes is good and exceeds the standard for satisfactory performance.
- The bank's distribution of loans to geographies of different income levels throughout its assessment area is satisfactory.
- The bank is adequately meeting the lending needs of the assessment area.
- The bank has not received any consumer complaints regarding Community Reinvestment Act (CRA) performance.

## DESCRIPTION OF FIRST NATIONAL BANK OF LINDSAY

The First National Bank of Lindsay (FNB) is located in Lindsay, Oklahoma. FNB is entirely owned by First Lindsay Corporation. At December 31, 2005, First Lindsay Corporation had total assets of \$28.3 million. FNB has only one facility, which is located at 101 South Main in Lindsay, Oklahoma. This location includes a drive-in facility and a 24 hour automated teller machine (ATM). No branch locations have been closed since the previous CRA examination. FNB's focus is to serve commercial and consumer customers in their assessment area. FNB meets the loan and deposit needs of the local community by providing various loan and deposit products, and other financial services.

As of December 31, 2005, FNB reported total assets of \$28.3 million, of which 64 percent is centered in various types of loans to individuals, businesses, and small farms. Illustrated below is FNB's loan mix as of year-end December 2005.

<b>Loan Mix of FNB Lindsay as of December 31, 2005</b>		
<b>Loan Category</b>	<b>\$ (000)</b>	<b>% of Gross Loans</b>
Individual Loans	5,709	31.60%
Real Estate Loans	4,571	25.30%
Agriculture Loans	3,796	21.01%
Commercial Loans	3,717	20.57%
Other Loans	273	1.52%
<b>Total</b>	<b>18,066</b>	<b>100.00%</b>

*Source: December 31, 2005 Consolidated Report of Condition.*

FNB received an overall rating of "Satisfactory" at the previous Community Reinvestment Act Examination dated April 30, 2001. There are no legal or financial impediments to prevent FNB from meeting the credit needs of the designated assessment area. FNB is involved in and provides support to the community's financial needs.

## DESCRIPTION OF FNB LINDSAY’S ASSESSMENT AREA

FNB’s assessment area meets the requirements of the regulation and does not arbitrarily exclude low-or moderate-income geographies. The assessment area includes portions of three counties consisting of four census tracts (CTs) in Garvin County (#9916, #9917, #9918, #9919) one CT in McClain County (#4002) and one CT in Grady County (#0007). The following table describes major demographic and economic characteristics of the assessment area.

<b>Demographic and Economic Characteristics of Assessment Area</b>	
<i>Population</i>	
Number of Families	8,036
Number of Households	10,623
<i>Geographies</i>	
Number of Census Tracts/BNA	6
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	16.67%
% Middle-Income Census Tracts/BNA	83.33%
% Upper-Income Census Tracts/BNA	0%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	37,178
2004 HUD-Adjusted MFI	44,933
<i>Economic Indicators</i>	
2000 Median Housing Value	54,776
# of Households Below Poverty Level	1,571

*Source: U.S. Census data.*

The total population of the assessment area is 27,390 people. Although there are no low-income census tracts and only one moderate-income census tract in the assessment area, there are low- and moderate-income families in the assessment area. Of the 10,623 households, 15 percent are below the poverty level. The median housing value is \$54,776 with the median age of housing stock at 35 years. The unemployment rate for the assessment area is low at 1.91 percent.

The local economic conditions are stable to improving. The strong energy and agriculture markets have fueled the state and local economies. These represent the major industries in the Lindsay area. The largest employers in Lindsay include the Rural Electric Cooperative, Wal-Mart, Lindsay Public Schools, along with several oil and gas related service companies.

A community contact was performed during the examination to help ascertain the credit needs of the assessment area. The contact stated that the local financial institutions adequately meet the general banking needs of the community. The contact indicated that the primary need in the area is affordable housing, both rental and owner occupied. The contact further stated that the local financial institutions in the area are actively involved in supporting the community.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

This Performance Evaluation (PE) assesses FNB's performance focusing primarily on five performance criteria: the loan-to-deposit ratio; lending in the assessment area; lending to borrowers of different incomes and to businesses of different sizes; geographic distribution of loans; and responses to CRA related complaints.

To evaluate the FNB's lending performance, a random sample of 64 loans was reviewed. Major loan products offered by the bank were sampled and consisted of 31 vehicle loans and 33 small business loans that originated since December 31, 2001. Based on the analysis and consistent with available resources and capabilities, FNB is meeting the credit needs of the assessment area in a satisfactory manner.

### *Loan-to-Deposit Ratio (LTD)*

FNB's LTD ratio is reasonable and meets the standard for satisfactory performance. The LTD ratio is comparable to peer banks in the assessment area. FNB's average quarterly LTD ratio since the last CRA Examination dated April 30, 2001 was 59 percent. This ratio is reasonable when compared to the average LTD ratios, over the same time period, for peer banks.

Institution	Assets (as of 12/31/05)	Average LTD Ratio
State Bank of Wynnewood	45,148	86%
Pauls Valley National Bank	113,081	69%
<b><i>FNB Lindsay</i></b>	<b><i>28,331</i></b>	<b><i>59%</i></b>
Farmers and Merchants, Maysville	15,600	44%
First State Bank, Elmore City	7,670	37%
American Exchange Bank, Lindsay	37,959	37%

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

FNB's lending in the AA is good. A substantial majority of the consumer and small business loans sampled were extended within the bank's assessment area. The number and percentage of credits extended exceeds the standard for satisfactory performance, as illustrated in the table below.

<b>Total Loans Reviewed</b>										
<b>Loan Type</b>	<b>Number of Loans</b>					<b>Dollars of Loans</b>				
	<b>Inside</b>		<b>Outside</b>		<b>Total</b>	<b>Inside</b>		<b>Outside</b>		<b>Total</b>
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>		<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	
Consumer - Vehicles	30	97%	1	3%	31	\$166	93%	\$12	7%	\$178
Small Business	30	91%	3	9%	33	\$1,007	75%	\$343	25%	\$1,350
Totals	60	94%	4	6%	64	\$1,173	77%	\$355	23%	\$1,528

Source: Sample of 64 loans used to determine CRA performance.

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

FNB's overall distribution of loans by income level of borrowers exceeds the standard for satisfactory performance. The following tables represent the distribution of lending based on the sample of the 30 vehicle loans and 30 small business loans originated in the assessment area. FNB's performance is good in light of the fact that 15 percent of the households in the assessment area have incomes below the poverty level.

FNB's distribution of vehicle loans by income level is good. The percentage of the number of vehicle loans to low-income and moderate-income borrowers is higher than the percentage of low-income and moderate-income households in the assessment area.

<b>Borrower Distribution of Vehicle Loans in FNB's Assessment Area</b>								
<b>Borrower Income Level</b>	<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>	<b>% of AA Households</b>	<b>% of Number of Loans</b>
Vehicle Loans	23%	43%	16%	20%	20%	26%	41%	11%

Source: U.S. Census data and vehicle loan sample.

FNB's loan distribution to small businesses is good. The percentage of loans to businesses with revenues less than \$1 million is higher than the percentage of businesses with revenues less than \$1 million located in the assessment area. However, a large percentage of the businesses in the assessment area did not report revenues or revenues were unavailable or unknown, as reflected in the table below.

<b>Borrower Distribution of Small Business Loans in FNB's Assessment Area</b>				
<b>Business Revenues (or Sales)</b>	<b>≤\$1,000,000</b>	<b>&gt;\$1,000,000</b>	<b>Unavailable/ Unknown</b>	<b>Total</b>
% of AA Businesses	63%	7%	30%	100%
% of Bank Loans in AA by #	<b>93%</b>	<b>7%</b>	<b>0%</b>	100%
% of Bank Loans in AA by \$	<b>95%</b>	<b>5%</b>	<b>0%</b>	100%

Source: 2004 Business geodemographic data and the small business loan sample.

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

Less weight was given to the geographic distribution of loans when considering overall performance due to the fact that there are no low-income census tracts and only one moderate-income census tract in FNB's assessment area.

The distribution of vehicle and small business loans to geographies of different income levels is reasonable and meets the standard for satisfactory performance. The number and dollar percentage of loans extended in the one moderate-income tract is less than the percentage of households in that tract. The number and dollar percentage of small business loans extended in the moderate-income tract is less than the percentage of small businesses in that tract. This one moderate-income tract is located in the eastern portion of Grady County. This area is primarily served by branch locations of larger community banks from Chickasha.

<b>Geographic Distribution of Vehicle Loans</b>								
<b>Census Tract Income Level</b>	<b><i>Low</i></b>		<b><i>Moderate</i></b>		<b><i>Middle</i></b>		<b><i>Upper</i></b>	
% of AA Households	0%		27%		73%		0%	
<b>LOANS BY PRODUCT</b>	<b>% of Number</b>	<b>% of Amount</b>	<b>% of Number</b>	<b>% of Amount</b>	<b>% of Number</b>	<b>% of Amount</b>	<b>% of Number</b>	<b>% of Amount</b>
Vehicle Loans	0%	0%	10%	14%	90%	86%	0%	0%

Source: U.S. Census data and vehicle loan sample.



<b>Geographic Distribution of Small Business Loans</b>								
<b>Census Tract Income Level</b>	<i>Low</i>		<i>Moderate</i>		<i>Middle</i>		<i>Upper</i>	
% of AA Businesses	0%		18%		82%		0%	
<b>LOAN TYPE</b>	<b>% of Number</b>	<b>% of Amount</b>	<b>% of Number</b>	<b>% of Amount</b>	<b>% of Number</b>	<b>% of Amount</b>	<b>% of Number</b>	<b>% of Amount</b>
Small Business	0%	0%	7%	5%	93%	95%	0%	0%

Source: U.S. Census data and small business loan sample.

### ***Responses to Complaints***

FNB has not received any complaints regarding their performance in helping to meet assessment area credit needs during this 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.