



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 31, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank of O'Donnell
Charter Number 12831**

**700 9th Street
O'Donnell, Texas 79351**

**Office of the Comptroller of the Currency
Southwestern District
500 N. Akard, 1600 Lincoln Plaza
Dallas, Texas 75201-3394**

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.

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 **The First National Bank of O'Donnell** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of March 31, 1997. 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**.

The First National Bank of O'Donnell has a loan-to-deposit ratio that is more than reasonable compared to its competition. A majority of its loans are to borrowers located within the bank's assessment area. Also, the bank's lending patterns reflect a reasonable penetration among individuals of all income levels, as well as to small farms and businesses.

The following table indicates the performance level of The First National Bank of O'Donnell with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>The First National Bank of O'Donnell</u> PERFORMANCE LEVELS		
	Exceeds Standards for Satisfactory Performance	Meets Standards for Satisfactory Performance	Does not meet Standards for Satisfactory Performance
Loan to Deposit Ratio	X		
Lending in Assessment Area		X	
Lending to Borrowers of Different Incomes and to businesses of Different sizes		X	
Geographic Distribution of Loans	Analysis not meaningful due to size of block numbering areas.		
Response to Complaints	No complaints have been received since the last examination.		

DESCRIPTION OF INSTITUTION

The First National Bank of O'Donnell (FNB) has its main office located in O'Donnell and a branch office located in Lamesa. Combined total assets are \$36 million, with total deposits of \$33 million and total loans of \$21 million. The bank's primary business focus is agricultural lending, with 69.5% of its loans directly related to agriculture. FNB also has 16.5% of its loans to small businesses and 12.0% to individuals. The bank is located in the southern edge of Lynn County. While FNB is the only financial institution located within O'Donnell, it has competitors located in Tahoka and Wilson, as well as two other banks in Lamesa. The bank does not face any legal impediments or other factors which inhibit it from meeting the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The Board of Directors has designated the counties of Lynn, Dawson, and Borden as the bank's assessment area. None of these counties are located within, or contain, a Metropolitan Statistical Area (MSA). The assessment area meets the requirements of the Community Reinvestment Act. According to the 1990 census, these counties have a combined population of 21,906. Forty-one percent are of Hispanic origin and 15% are over the age of sixty-five. The statewide median family income for non-MSA areas is \$26,496. Almost 45% of the families in these counties are considered to be within the low- or moderate-income level. The credit needs of the assessment area include small farm operating loans and small dollar consumer loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The bank has a loan-to-deposit ratio that is more than reasonable. The ratio has averaged 68% for the last six quarters, compared to an average ratio of 35% for FNB's competition. A majority of the bank's loans are made within the assessment area. As of April 27, 1997, approximately 86% of the number of loans and 66% of the dollar total of loans were to borrowers located within the assessment area. Further, an analysis of these loans indicates that they are well distributed throughout the various income levels. All of the agriculture and commercial loans are to small farms and businesses. Due to the size of the block numbering areas within the assessment area, a geographic distribution analysis would not be meaningful and was not performed.

No violations of the substantive provisions of the antidiscrimination laws and regulations were identified during this examination. The bank has adequate policies and procedures in place to assist in preventing illegal discrimination.