

# **PUBLIC DISCLOSURE**

December 9, 1997

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**First National Bank in Blytheville  
Charter Number 14389  
116-120 South Second  
Blytheville, Arkansas 72315**

**Office of the Comptroller of the Currency  
80 Monroe Avenue, Suite 505  
Memphis, Tennessee 38103**

**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 in Blytheville (FNB) prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of October 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**.

We concluded the bank's performance is "satisfactory." Factors leading to this conclusion were: FNB's average loan-to-deposit ratio is considered reasonable, and a majority of the bank's loans funded in 1997 were within the bank's assessment area. Its lending patterns show a good representation of loans made to individuals with various income levels and businesses of different sizes. The bank is also lending throughout its assessment area.

## **DESCRIPTION OF INSTITUTION**

First National Bank in Blytheville (FNB), with assets of approximately \$136 million, is headquartered in Blytheville, Arkansas. The bank is 100% owned by First Delta Bankshares Inc., a one bank holding company. The main banking office and its three branches are located within the city of Blytheville. Loan applications are only taken at the main office.

The bank has a diverse loan portfolio. As of 09/30/97, loans secured by 1-4 family residential properties represented 33% of the portfolio, consumer loans represented 18%, commercial loans represented 18%, and agricultural production loans represented 14%.

FNB's primary business focus is agricultural related and consumer lending. There are no supervisory concerns or legal impediments which preclude this bank from fulfilling its obligation under the Community Reinvestment Act.

## **DESCRIPTION OF ASSESSMENT AREA**

FNB's assessment area contains seven block numbering areas (BNAs) within Mississippi County (101-107). There are no BNAs that have low income characteristics, two have moderate income characteristics, four have middle income characteristics, and one has upper income characteristics. Moderate income is considered to be between 50% and 79% of the nonmetropolitan family income. Middle income is 80% to 119% and upper income is 120% and above. The population of the assessment area is 33,278 comprised of 11,620 households. For 1997, the statewide nonmetropolitan median family income was \$29,500 according to data provided by the Department of Housing and Urban Development.

Competition is provided from another financial institution headquartered in Blytheville, a branch of an out of town institution, and a credit union.

Manufacturing and agricultural are major industries in the area and the economy is strong. Discussions with members of the community did not reveal any unmet credit needs. Both indicated that local financial institutions were doing a very good job of serving the community.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA**

### ***Loan-to-deposit ratio***

FNB has a reasonable average loan-to-deposit ratio of 50.71%. This ratio is calculated using the quarter ending financial information from December 1994 to September 1997, the time period since the last consumer compliance examination. This ratio is consistent with the other independent bank's ratio of 51.12% for the same time period. This bank is comparable in size to FNB.

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

A majority of the loans originated by FNB are within the bank's assessment area. This conclusion is based on visual observations of real estate loans plotted on a map by bank personnel and data gathered from a random sample of real estate and consumer loans. We concluded that over 75% of the bank's loans were within the assessment area.

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

FNB is lending to borrowers of different incomes and businesses of different sizes. Demographic data utilized during the examination shows that low income families make up 20% of the population, 17% is moderate income, 20% is middle income, and 42% is upper income.

Based on our sample broken down by these same income levels, 6% were to low income borrowers, 15% were to moderate income borrowers, 18% to middle income borrowers, and 45% to upper income borrowers. Income could not be determined for 16% of the sample.

The bank's commercial loan trial was reviewed to determine the size of loans to businesses. Based on this review, FNB's small business lending efforts are acceptable.

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

A geographic analysis of the bank's lending patterns was not performed. The bank's assessment area contains no low income BNAs and the two moderate income BNAs are within the city limits of Blytheville. Based on observations during the examination, the bank has a number of loans throughout the city of Blytheville and within each of the BNAs. Therefore, further analysis would not be meaningful.

### ***Response to complaints***

FNB has not received any complaints from members of the community regarding its CRA performance. FNB is also in compliance with the substantive provisions of the antidiscrimination laws such as the Equal Credit Opportunity Act and Fair Housing Act. Our examination did not disclose any violations of law or other weaknesses regarding fair lending policies, procedures, or training programs.