



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

June 12, 1998

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Mountain View
Charter Number 5656**

**208 West Main Street
Mountain View, Oklahoma 73062**

Comptroller of the Currency

**1600 Lincoln Plaza
500 North Akard
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 **First National Bank Mountain View** prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of June 12, 1998. 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 Mountain View (FNB) does a good job of meeting the credit needs of the community. This is demonstrated by the following:

- ▶ The level of direct lending to borrowers with different income levels, particularly to low-income individuals or families within the assessment area, as well as lending to small businesses and small farms.
- ▶ The institution's average quarterly loan-to-deposit ratio of 50.43 percent since the previous examination meets standards for satisfactory performance.
- ▶ The variety of products and services offered by the bank.

The following table indicates the performance level of First National Bank of Mountain View with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>First National Bank</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		X	
Response to Complaints	No complaints were received since the last examination.		

DESCRIPTION OF INSTITUTION

First National Bank of Mountain View is owned by Shamrock Bancshares Inc., a four-bank holding company. First National Bank of Mountain View is a retail oriented institution with a main office and drive-thru facility located in the business district of Mountain View. The bank has no branches or Automated Teller Machines (ATMs). Facilities are readily accessible and business hours are convenient. There are no known impediments which would prevent the bank from fulfilling CRA responsibilities. First National Bank is a full-service bank providing a full range of loan and deposit products. As of March 31, 1998, the bank reported total assets of \$26,262,471, total loans of \$10,177,544, and an unadjusted loan-to-deposit ratio of 44 percent. A breakdown by type of loan is reflected in the table below.

Percentage of Loans by Type as of March 31, 1998	
Real Estate	20 percent
Agricultural	51 percent
Commercial and Industrial	18 percent
Instalment	11 percent

As depicted in the table above, First National Bank's primary lending focus is agricultural related loans and real estate loans for a variety of purposes. No branch locations have been opened or closed since the previous CRA examination. First National Bank's performance under the CRA was previously evaluated as of May 31, 1995.

DESCRIPTION OF ASSESSMENT AREA

The assessment area consists of thirteen Block Numbering Areas (BNAs) within portions of Kiowa, Caddo, and Washita counties. The area is not located within a Metropolitan Statistical Area (MSA). The United States Census Bureau identifies four of the thirteen BNAs as moderate income (9619, 9639, 9640, 9652) with the remaining nine BNAs designated as middle income (9616, 9617, 9618, 9622, 9636, 9637, 9648, 9650, and 9651). The thirteen BNAs are contiguous and include the communities of Mountain View, Hobart, Gotebo, Roosevelt, Snyder, Cordell, Rocky, Cowden, Cloud Chief, Bessie, Corn, Colony, Eakly, and Binger. The bank's main office is located in Mountain View. According to 1990 Census data, the area had a population of 33,744 with an average HUD MSA Median Family Income of \$24,139.

Mountain View, where the bank's main facilities are located, has an estimated population of 1,086. Larger communities in the assessment area consist of Hobart (population 4,305), Cordell (population 2,903), and Snyder (population 1,619). Based on census data, 46 percent of assessment area families have low- to moderate-incomes. Twenty-one percent of the population is over 65 years of age. The economy is dominated by agriculture. The major agricultural products are wheat, cotton, and cattle. There are no significant manufacturing or light industrial

businesses in the assessment area. Major employers are represented by local school districts and several residents commute to work at Imation (formerly 3M) in Weatherford. While there are no competing banks in Mountain View, there are three competing banks in Kiowa County and an additional eight banks within the bank's assessment area in Caddo and Washita Counties.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overall, the bank is performing satisfactorily in meeting the credit needs of the entire assessment area, including low- and moderate-income individuals and areas, consistent with available resources and capabilities.

Loan-to-Deposit Ratio

First National Bank's loan-to-deposit ratio meets the standards for satisfactory performance. This determination is based on an assessment of the bank's average loan-to-deposit ratio for the previous twelve quarters. During these twelve quarters, the bank's unadjusted loan-to-deposit ratio ranged from a high of 55 percent at June 30, 1995, to a low of 41 percent at September 30, 1997, with an average loan-to-deposit ratio of 50 percent. This average ratio compares equally to other banks in Kiowa, Caddo, and Washita counties and eight adjacent counties. As of March 31, 1998, the unadjusted loan-to-deposit ratio for 65 area banks ranged from 18 to 94 percent with an average of 57 percent. Of these 65 banks, 50 reported loan-to-deposit ratios higher than First National Bank.

Lending in Assessment Area

First National Bank uses a zip code analysis to determine volume of loans made inside and outside the designated assessment area. As of March 31, 1998, internal reports indicate 84 percent of the loans in the portfolio have been made to borrowers within the assessment area.

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

Distribution of loans to borrowers of different income levels, as well as to small farms and businesses is good. First National Bank offers loan products with no minimum loan amount requirements. The bank also offers reduced interest rate student loans. At March 31, 1998, the bank held 20 student loans totaling \$118,147. A sample of 29 consumer loans was reviewed to determine distribution within the assessment area. Based on this random sample, 54 percent of the loan files sampled by number and 45 percent by dollar volume were to low- and moderate-income families. This is compared to demographic information which shows 46 percent of the families in the assessment area have low- to moderate-incomes. Income levels were based on the updated Oklahoma statewide median family income of \$30,800.

LOANS EXTENDED BY FAMILY INCOME VERSUS DEMOGRAPHIC CHARACTERISTICS			
INCOME LEVEL	DISTRIBUTION BY NUMBER	DISTRIBUTION BY AMOUNT	DEMOGRAPHIC DATA
LOW	27%	18%	26%
MODERATE	27%	27%	20%
MIDDLE	22%	27%	20%
HIGH	24%	28%	34%

At present, all of First National Bank's commercial loans are extended to small business and small farming operations. The analysis of commercial loans also indicates First National Bank adequately provides credit to local businesses of various sizes.

Geographic Distribution of Loans

Geographic distribution of credit within the assessment area is reasonable. According to 1990 census data, 16 percent of the population in the assessment area resides in moderate-income BNAs. An analysis of geographic loan distribution was completed using internal reports which geocode the entire loan portfolio. The analysis shows \$2,325,325 or 23 percent of the loan portfolio by volume consists of borrowers residing or operating within moderate-income BNAs. These results compare favorably with demographic data for the area.

No practices were noted which were intended to discourage types of credit offered. Management solicits credit applications from all segments of the community. Our review revealed substantial compliance with all the provisions of the antidiscrimination laws and regulations. The Board and management have developed adequate policies, procedures, and training programs to prevent discriminatory or other illegal credit practices.

Response to Complaints

No complaints concerning the CRA have been received since the last examination.