



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

June 21, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**MetroBank, N.A.
Charter Number 17076**

**2225 West Hefner Road
Oklahoma City, Oklahoma 73156**

**Comptroller of the Currency
Southwestern District
Oklahoma City Field Office
301 NW 63rd Street, Suite 490
Oklahoma City, Oklahoma 73116**

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 **MetroBank, N.A., Oklahoma City, Oklahoma**, as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of **June 21, 1999**. 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. Consistent with its resources and capabilities, the bank is meeting the credit needs of its assessment area, including those of low- and moderate-income individuals, in a reasonable manner. This is demonstrated by the following:

- C MetroBank's willingness to provide a wide variety of loan and deposit products.
- C A majority of the loans extended are within the assessment area.
- C MetroBank has demonstrated a willingness to extend loans to individuals and businesses of different income levels.
- C Distribution of MetroBank's loans reflect a reasonable penetration in the communities it serves.

The following table indicates the performance level of MetroBank, N.A., Oklahoma City, Oklahoma with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>MetroBank, N.A., Oklahoma City, Oklahoma</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 prior examination		

DESCRIPTION OF INSTITUTION

MetroBank, N.A., is headquartered in Oklahoma City, Oklahoma. The main bank and drive-through facility are located at 2225 West Hefner Road. An automated teller machine (ATM) is also available at this location. A second ATM is located at the Conoco Station located at 7040 NW 122nd Street. The bank's primary focus is to serve commercial, real estate, and consumer customers in Oklahoma County. The bank meets these needs by providing various loan and deposit products as well as other financial services.

As of March 31, 1999, MetroBank's total assets equaled \$39,811,000, of which \$27,089,000 or 68.04 percent, were composed of various types of loans to individuals and businesses. The \$27,089,000 in loans and leases outstanding consisted of \$9,014,000 in commercial and agricultural real estate loans, (33.28 percent), \$6,814,000 in 1-4 family real estate loans, (25.15 percent), \$6,894,000 in commercial loans, (25.45 percent), \$367,000 in agricultural loans, (1.35 percent), and \$4,000,000 in consumer loans, (14.77 percent).

There are no known legal, financial, or other factors impeding management's ability to help meet the credit needs of the assessment area. The last review of performance under the Community Reinvestment Act was completed February 18, 1997 and rated satisfactory.

DESCRIPTION OF THE ASSESSMENT AREA

The assessment area adopted by the bank's board of directors includes all census tracts in Oklahoma County. This assessment area meets the requirements of the regulation. It does not arbitrarily exclude any low- or moderate-income geographies. The assessment area is described in more detail below.

Oklahoma County is part of the Oklahoma City Metropolitan Statistical Area (MSA). The county contains 221 census tracts. Based on 1990 census data, the United States Census Bureau identifies the tracts as follows: Twenty-one tracts or 9.50 percent are considered low income tracts. Fifty-nine or 26.70 percent are considered moderate income tracts. Eighty-eight or 39.82 percent are considered middle income tracts. Forty-nine or 22.17 percent are considered upper income tracts. There are four tracts representing 1.81 percent that have not been categorized by income.

United States Census Bureau information as of 1990 reflected a total population of 599,611 in Oklahoma County. The area contained 279,340 housing units with 145,847 or 52 percent owner occupied. Additionally, there were 161,082 families and 238,447 households in the area. Seventy-eight percent of the households derive their income from wages or salaries. The largest employment sectors were government, wholesale trade, services and farm related entities. The unemployed labor for the area was reported at 21,066 persons or 3.51 percent of the population.

Per the 1990 census, the households and families are divided among the income categories as follows:

Description	% Low Income (<50% of Median)*	% Moderate Income (50-80% of Median)*	% Middle Income (80-120% of Median)*	% Upper Income (>120% of Median)*
% of Households (238,447 total)	23.78%	17.19%	20.09%	38.94%
% of Families (161,082 total)	21.03%	18.27%	22.10%	38.60%

The 1990 census median family income for the assessment area was \$33,428. Median household income for the assessment area was \$27,618. Census median family income for the Oklahoma City MSA was \$32,406. The Department of Housing and Urban Development's updated median family income for 1998 in the Oklahoma City MSA was \$41,300.

The assessment area is served by thirty-two other national and state chartered banks. The area is also served by branch locations of these banks as well as the branches of other banks and savings and loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Overall, the bank is satisfactory in meeting the credit needs of the entire assessment area, consistent with available resources and capabilities.

Loan to Deposit Ratio

The loan to deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. The average quarterly loan to deposit ratio from December 31, 1996, through March 31, 1999, was 72.29 percent. The ratio as of March 31, 1999, was 73.28 percent. The low ratio for the period was 66.31 percent at March 31, 1998. The high ratio for the period was 78.55 percent at March 31, 1997.

MetroBank's ratio compares very well to the average loan to deposit ratio for the eleven other banks operating in the bank's assessment area with less than \$50,000,000 in total assets. The average ratio for this group of banks was 55.22 percent at March 31, 1999. The low ratio in this group was 37.81 percent and the high ratio was 78.65 percent.

Lending in Assessment Area

A substantial majority of credit extended is within the assessment area. Analysis of a sample of forty-seven residential loans reported on the 1998 Home Mortgage Disclosure Act Loan Application Register, forty consumer loans extended in 1999, and twenty business loans extended during 1998 and year-to-date 1999, noted the following results:

Loan Sample	% of Loans Inside Area	% of Loans Outside Area	% of Loan Dollars Inside Area	% of Loan Dollars Outside Area
Residential (HMDA-LAR) (47 loans for \$2,764,000)	87.23%	12.77%	87.70%	12.30%
Consumer (40 loans for \$438,342)	65.00%	35.00%	66.49%	33.51%
Business & Agricultural (20 loans for \$4,107,824)	80.00%	20.00%	73.87%	26.13%
Combined Totals (107 loans for \$7,310,166)	77.57%	22.43%	78.65%	21.35%

Lending to Borrowers of Different Incomes

The distribution of borrowers reflects adequate penetration among individuals and businesses of different income levels within the assessment area. The following table uses income data collected from a random sample of twenty-six consumer loans and forty-one residential loans on the 1998 Home Mortgage Disclosure Act Loan Application Register. The number of loans to each income group compares adequately to the distribution of households and families by income level illustrated on page (4) of this evaluation.

Description	% to Low Income Borrowers	% to Moderate Income Borrowers	% to Middle Income Borrowers	% to Upper Income Borrowers
# of Consumer Loans (26)	15.38%	19.23%	11.54%	53.85%
\$ of Consumer Loans (291,459)	11.52%	21.98%	11.35%	55.15%
# of HMDA Residential Loans (41)	12.20%	17.07%	14.63%	56.10%
\$ of HMDA Residential Loans (2,424,000)	6.35%	7.34%	23.64%	62.67%
Dollars of Loans (2,715,459)	6.91%	8.91%	22.32%	61.86%

Overall, the combined number of loans to individuals of different incomes represents reasonable penetration relative to the volume of families and households in each income group as depicted on page (4) of this evaluation. The bank's penetration to moderate income borrowers compares very well to Oklahoma County demographics. Penetration to lower income borrowers compares less favorably, yet is considered reasonable given the bank's physical location in northwestern Oklahoma County where a majority of the census tracts are middle and upper income in nature.

The following table illustrates the distribution of the sixteen business loans sampled based on annual gross revenues reported by the companies.

Description	% with less than \$500,000 in revenues	% with \$500,000 to \$1,000,000 in revenues	% with greater than \$1,000,000 in revenues
Number of Loans (16)	31.25%	31.25%	37.50%
Dollars of Loans (3,034,274)	21.40%	37.12%	41.48%

The sample of business loans reflects that 62.50 percent of the loans were made to small businesses or businesses that report annual gross revenues of less than \$1,000,000. Also, 58.52 percent of the dollars loaned went to those same small businesses.

Geographic Distribution of Loans

The geographic distribution of sampled loans reflects a reasonable dispersion throughout the assessment area. The addresses of the sampled 1998 HMDA-LAR residential loans, consumer, and commercial loans within the assessment area were converted to census tracts using the census tract map for Oklahoma County. This information was then compared to the distribution of the population from the 1990 census data. The results are reflected on the following table:

Distribution of Loans by Census Tract Types				
Description	Percentage of Total Tracts	Percentage of Tracts with Loans	Percentage of Total Loans (83) to Tracts	Percentage of Population in Tracts
Low Income Tracts (21)	9.50%	23.81% (5 of 21)	6.03%	5.63%
Moderate Income Tracts (59)	26.70%	13.56% (8 of 59)	13.25%	26.14%
Middle Income Tracts (88)	39.82%	25.00% (22 of 88)	34.94%	42.27%
Upper Income Tracts (49)	22.17%	48.98% (24 of 49)	43.37%	25.85%
Uncategorized Tracts (4)	1.81%	50.00% (2 of 4)	2.41%	0.11%
Total Tracts (221)	100.00%	28.96% (61 of 221)	100.00%	100.00%

Responses to Complaints

No complaints concerning the Community Reinvestment Act have been received since the last examination.

Fair Lending Matters

No violations of the substantive provisions of antidiscrimination laws and regulations were identified. Additionally, no evidence of discrimination or disparate treatment was found. The lending practices of MetroBank, N.A., are reflective of antidiscrimination policies.