



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

April 30, 2001

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

**First National Bank Of Lindsay
Charter Number 6171**

**312 South Main Street
Lindsay, OK 73052**

**Comptroller of the Currency
ADC Kyle M. Jones - Oklahoma City
301 NW 63rd Street Harvey Pkwy. Bldg., Suite 490
Oklahoma City, OK 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 First National Bank Of Lindsay, Lindsay, OK as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of April 30, 2001. 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 record of meeting community credit needs.

A satisfactory rating is appropriate based on the bank's demonstrated ability to meet the credit needs of the community. Specifically:

- A substantial majority of the bank's loans are made within the assessment area.
- The bank's loan to deposit ratio is reasonable when compared to bank's of similar size and characteristics in the trade area.
- There is a reasonable dispersion of loans to borrowers of different income levels and businesses of different sizes.

The First National Bank of Lindsay is committed to serving the community in which it operates and demonstrates satisfactory lending performance.

DESCRIPTION OF INSTITUTION

The First National Bank of Lindsay (FNB) is located in Lindsay, Oklahoma. The bank is a subsidiary of First Lindsay Corporation, a \$22 million bank holding company. The bank and drive-in facility are both located in downtown Lindsay. FNB has no automated teller machines (ATM's), however, they do issue debit cards at no additional charge. Management and the Board's primary focus continues to be on serving commercial and consumer customers in the Lindsay area. The bank meets customer's needs by providing traditional loan and deposit products.

As of December 31, 2000, FNB's total assets equaled \$22.2 million, of which \$10.6 million, or 48 percent of total assets, were composed of various types of loans to individuals and businesses. Due to the rural trade area, a majority of the loans originated are agricultural related secured by either farmland and/or cattle. As of December 31, 2000, the bank's loan portfolio consisted of the following:

| Loan Category | \$ (000) | % |
|-------------------------------|-----------------|---------------|
| Commercial Real Estate Loans | 2,067 | 19.47 |
| Commercial Loans | 5,253 | 49.49 |
| Residential Real Estate Loans | 1,432 | 13.49 |
| Consumer Loans | 1,863 | 17.55 |
| Total | 10,615 | 100.00 |

The bank received an overall rating of Satisfactory at the last Community Reinvestment Act examination dated July 23, 1996. There are no legal or financial impediments to prevent the bank from meeting the credit needs of the assessment area.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area meets the requirements of the regulation and does not arbitrarily exclude low or moderate income areas.

The assessment area is identified as census tracts 9917 and 9918 located in Garvin County, and 4002.98 located in McClain County, both in Oklahoma. The assessment area is not located in a Metropolitan Statistical Area (MSA). The City of Lindsay and the location of the bank is in census tract 9918. Tract 9917 borders 9918 on the south and east, and 4002.98 borders on the north. Total population equates to 12,995, with 964 or 7.42 percent of the population as minority. The largest minority representation consists of American Indians at 6.02 percent of the population. The second largest is Hispanic at 1.20 percent.

| DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA | |
|---|--------|
| <i>Population</i> | |
| Number of Families | 3,856 |
| Number of Households | 4,853 |
| <i>Geographies</i> | |
| Number of Census Tracts/BNA | 3 |
| % Low-Income Census Tracts/BNA | 0 |
| % Moderate-Income Census Tracts/BNA | 0 |
| % Middle-Income Census Tracts/BNA | 3 |
| % Upper-Income Census Tracts/BNA | 0 |
| <i>Median Family Income (MFI)</i> | |
| 1990 MFI for AA | 23,251 |
| 1990 HUD-Adjusted MFI | 36,900 |
| 1990 HUD-Adjusted MFI | 36,900 |
| <i>Economic Indicators</i> | |
| Unemployment Rate | 2.93% |
| 1990 Median Housing Value | 42,249 |
| % of Households Below Poverty Level | 16.32% |

All three tracts are designated as middle income tracts comprised of 4,853 households, consisting of 3,856 families. Composition of the families within the assessment area are 21.52 percent low income, 19.27 percent moderate income, 24.66 percent middle income, and 34.54 percent upper income. The median family income is \$36,900 per year. Major employers are the Lindsay Public Schools, Lindsay Oilfield Supply, Wal-Mart, and Bruce Jones, a local oil company.

A community contact was made during the examination to help ascertain the credit needs of the assessment area. The primary need indicated by the contact relates to business lending.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Consistent with FNB's resources and capabilities, the bank is satisfactorily meeting the credit needs of the assessment area.

Loan-to-Deposit Ratio

FNB's loan-to-deposit ratio is reasonable given the bank's size, assessment area needs, and rural location. The quarterly average loan-to-deposit ratio for the evaluation period is 49 percent, which is in line with banks of similar size and location. This is an improvement when compared to the previous evaluation which reflects an average quarterly loan-to-deposit ratio of 32 percent.

The following table shows the average loan-to-deposit ratio for banks similar to FNB:

| Institution | Assets (as of 12/31/00) | Average LTD Ratio |
|------------------------|--------------------------------|--------------------------|
| First American Bank | 15,080 | 25% |
| Farmers and Merchants | 14,792 | 42% |
| American Exchange Bank | 33,737 | 38% |
| Tri Star National Bank | 47,631 | 64% |
| <i>FNB of Lindsay</i> | 22,242 | 49% |

American Exchange Bank is also located in the City of Lindsay and is more aggressive in obtaining deposits. Tri Star National Bank, although in a nearby town, is more closely located to the Oklahoma City metro area, and has locations in two communities. The average loan-to-deposit ratio for the twenty-six banks in counties that surround and include Garvin County is 66 percent. The high being 91 percent and the low being 31 percent.

Lending in the Assessment Area

FNB exceeds the standards for satisfactory performance in lending within the assessment area. This is demonstrated by the substantial majority of loans originated in the defined assessment area as shown by the following table:

| TOTAL LOANS REVIEWED | | | | | | | | |
|-----------------------------|---------------------------|----------|------------------|----------|-------------------------------|----------|------------------|----------|
| | IN ASSESSMENT AREA | | | | OUT OF ASSESSMENT AREA | | | |
| LOAN TYPE | # | % | \$ (000s) | % | # | % | \$ (000s) | % |
| Consumer | 37 | 93% | 314 | 93% | 3 | 7% | 23 | 7% |
| Agricultural | 19 | 95% | 540 | 94% | 1 | 4% | 38 | 6% |
| Total Reviewed | 56 | 93% | 854 | 93% | 4 | 7% | 61 | 7% |

The analysis is based on a random sample of 40 consumer loans and 20 agricultural loans originated from the previous CRA examination to the present.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

FNB meets the standard for satisfactory performance of these criteria with a reasonable distribution of loans to individuals with different income levels and businesses of different sizes within the assessment area. The following tables illustrate FNB's performance:

| CONSUMER | | | | | | | | |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Borrower Income Level | LOW | | MODERATE | | MIDDLE | | UPPER | |
| % of AA Households | 23.5% | | 16.4% | | 21.9% | | 38.2% | |
| | % of Number | % of Amount | % of Number | % of Amount | % of Number | % of Amount | % of Number | % of Amount |
| 1997-1998 | 0% | 0% | 33.3% | 15.9% | 66.6% | 84.1% | 0% | 0% |
| 1999-2000 | 13.8% | 21.8% | 13.8% | 9.8% | 37.9% | 32.5% | 31.0% | 35.9% |
| 2001 | 37.5% | 34.3% | 50.0% | 26.0% | 12.5% | 39.7% | 0% | 0% |
| Total | 17.5% | 19.6% | 22.5% | 12.9% | 37.5% | 47.7% | 22.5% | 20.8% |

The sample of business loans reviewed found that all 20 of these loans were extended to small businesses with annual gross revenues of less than \$1 million per year.

| BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES | | |
|--|--------------|--------------|
| Business Revenues | ≤\$1,000,000 | >\$1,000,000 |
| % of AA Businesses | 100% | 0% |
| % of Bank Loans in AA # | 100% | 0% |
| % of Bank Loans in AA \$ | 100% | 0% |

Geographic Distribution of Loans

An analysis of geographic distribution of loans would not be meaningful since there are no low or moderate income census tracts in the assessment area.

Responses to Complaints

There have been no consumer complaints regarding FNB's CRA performance filed during the evaluation period.