



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 28, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Exchange National Bank Of Moore
Charter Number 15152**

**600 Northwest 5th Street
Moore, Oklahoma 73153**

**Comptroller of the Currency
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NOTE: This document is an evaluation of this 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. 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.

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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 CRA performance of Exchange National Bank of Moore, Moore, Oklahoma as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of May 28, 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."

Exchange National Bank's lending performance reflects satisfactory responsiveness to the community's credit needs. This assessment is based on the following conclusions:

- The bank's loan-to-deposit ratio is reasonable when compared to banks of similar size and characteristics in the trade area.
- A majority of the bank's loan activity is within the bank's assessment area.
- The distribution of loans demonstrates satisfactory penetration among individuals of different income levels and businesses of different sizes.
- There have been no CRA complaints filed against the bank.

DESCRIPTION OF INSTITUTION

Exchange National Bank of Moore (ENB) is a community bank located in Moore, Oklahoma. The bank is 100% owned by Exchange Bancshares of Moore, a single bank holding company. The bank and drive-in facility are both located at 600 Northwest 5th Street in Moore, Oklahoma. ENB owns two proprietary automated teller machines that are also located at the main bank address. The bank meets customer's needs by providing traditional loan and deposit products. There are no legal or financial impediments to the bank's ability to meet the credit needs of its assessment area.

As of December 31, 2000, ENB had total assets of \$55.5 million, loans of \$28.6 million, and deposits of \$50.4 million. Management and the Board's primary focus continue to be consumer and real estate loans made for a variety of purposes. The following table reflects the loan portfolio by major product type based on loan totals as of December 31, 2000.

| Loan Category | \$ (000) | % |
|-----------------------------|-----------------|---------------|
| Real Estate loans | 16,014 | 56.03 |
| Installment/Consumer loans | 10,261 | 35.90 |
| Commercial/Industrial loans | 2,303 | 8.05 |
| Other loans | 5 | 0.02 |
| Total | 28,583 | 100.00 |

The bank received an overall rating of Satisfactory at the last Community Reinvestment Act examination dated September 25, 1996.

DESCRIPTION OF THE ASSESSMENT AREA

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

ENB's assessment area includes sixteen census tracts within the Oklahoma City Metropolitan Statistical Area consisting of the city limits of Moore, Oklahoma and the Moore Public School District. Total population of the assessment area equates to 67,958, with 8,122 or 11.95 percent of the population as minority. The largest minority representation consists of American Indians, at 4.65 percent of the population.

| DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA | |
|---|----------|
| <i>Population</i> | |
| Number of Families | 19,207 |
| Number of Households | 23,794 |
| <i>Geographies</i> | |
| Number of Census Tracts | 16 |
| % Low-Income Census Tracts | 0 |
| % Moderate-Income Census Tracts | 0 |
| % Middle-Income Census Tracts | 50.00% |
| % Upper-Income Census Tracts | 50.00% |
| <i>Median Family Income (MFI)</i> | |
| 1990 MFI for AA | 38,503 |
| 2001 HUD-Adjusted MFI | 45,400 |
| <i>Economic Indicators</i> | |
| Unemployment Rate | 2.46% |
| 1990 Median Housing Value | \$63,665 |
| % of Households Below Poverty Level | 6.57% |

Although there are no low- or moderate-income census tracts in the assessment area, there are low- and moderate-income families in the assessment area. Of the 19,207 families, 11.30 percent are low-income families, 14.25 percent are moderate-income families, 26.32 percent are middle-income families, and 48.13 percent are upper-income families. Based on the updated 2001 income information, the median family income for the assessment area is \$45,400. The median housing value is \$63,665 with the median age of housing stock at 24 years.

The economy of the assessment area has remained stable. The city of Moore is considered a residential community, consisting primarily of single family dwellings. Moore is primarily a blue-collar community whose residents are employed in neighboring cities. Many of the residents who live in Moore commute to Del City, Midwest City, Norman, and Oklahoma City for employment. The largest employers in Moore are the Moore Public Schools, City of Moore, and Wal-mart.

A community contact was made during the examination to help ascertain the credit needs of the assessment area. According to the contact the immediate credit needs of the community are being fulfilled. The need for residential and business rebuilding following the May 1999 tornado is being met. The contact feels there is a need for additional developmental and industrial businesses the area.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

Consistent with ENB's available resources and capabilities, the bank is satisfactory in meeting the credit needs of the entire assessment area.

Loan-to-Deposit Ratio

ENB's loan-to-deposit (LTD) ratio is reasonable given the bank's size, assessment area needs, and location. As of December 31, 2000, the quarterly average LTD since the September 25, 1996 examination for ENB was 53 percent. The table reflects that the LTD ratio is in line with banks that have a similar product mix as ENB.

| Institution | Assets (as of 12/31/00) | Average LTD Ratio |
|-----------------------------------|----------------------------|----------------------|
| First National Bank, Midwest City | \$289,047 | 42% |
| Southwestern Bank, Oklahoma City | \$118,310 | 57% |
| Tri Star National Bank, Tuttle | \$47,631 | 64% |
| Exchange National Bank | \$55,753 | 53% |

For comparison purposes, ENB's LTD ratio was compared to 45 banks in Cleveland County and the four surrounding counties. As of December 31, 2000, ENB's ratio was 56 percent and the 45 banks had LTD ratios ranging from 32 percent to 96 percent with the average being 71 percent.

Lending in Assessment Area

ENB's lending in their assessment area meets the standards for satisfactory performance. The table below and external analysis reflect that a majority of the loans are originated in the bank's defined assessment area.

| TOTAL LOANS REVIEWED | | | | | | | | |
|----------------------------|--------------------|-----|-----------|-----|------------------------|-----|-----------|-----|
| LOAN TYPE | IN ASSESSMENT AREA | | | | OUT OF ASSESSMENT AREA | | | |
| | # | % | \$ (000s) | % | # | % | \$ (000s) | % |
| Conventional Home Purchase | 19 | 48% | 1,217 | 53% | 21 | 52% | 1,136 | 47% |
| Refinance | 28 | 78% | 1,415 | 87% | 8 | 22% | 208 | 13% |
| Home Improvement | 100 | 69% | 715 | 68% | 45 | 31% | 331 | 32% |
| Total Reviewed | 147 | 67% | 3,401 | 67% | 74 | 33% | 1,675 | 33% |

The analysis on the preceding page is based on Home Mortgage Disclosure Act (HMDA) data for loans originated in 1999 and 2000. ENB also uses an external vendor to analyze the total loan portfolio. According to the analysis of loans originated from January 1, 2000 to December 31, 2000, ENB has 531 loans (54 percent) for \$10,819 thousand dollars (63 percent) within the designated assessment area. According to the analysis of the entire portfolio as of April 11, 2001, there are 1,217 loans (55 percent) for \$19,175 thousand dollars (65 percent) within the designated assessment area.

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

ENB 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 ENB's performance:

| RESIDENTIAL REAL ESTATE | | | | | | | | |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Borrower Income Level | LOW | | MODERATE | | MIDDLE | | UPPER | |
| % of AA Families | 11.30% | | 14.25% | | 26.32% | | 48.13% | |
| LOANS BY YEAR | % of Number | % of Amount | % of Number | % of Amount | % of Number | % of Amount | % of Number | % of Amount |
| 1999 * | 8.6% | 3.1% | 13.6% | 6.7% | 34.6% | 23.3% | 33.3% | 59% |
| 2000 ** | 7.6% | 3.8% | 22.7% | 23.3% | 16.7% | 20.2% | 42.45 | 49.4% |
| Total | 8.2% | 3.3% | 17.7% | 11.5% | 26.5% | 22.4% | 37.4% | 56.2% |

* Income information not available for 8 loans totaling \$190,000.

** Income information not available for 7 loans totaling \$33,000.

The table above represents HMDA data for 1999 and 2000. In 1999, the bank originated 81 loans totaling \$2,401 thousand in the assessment area. In 2000, the bank originated 66 loans totaling \$993 thousand in the assessment area.

| BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES | | |
|--|--------------|--------------|
| Business Revenues | ≤\$1,000,000 | >\$1,000,000 |
| % of AA Businesses * | 75.9% | 7.3% |
| % of Bank Loans in AA # | 65% | 35% |
| % of Bank Loans in AA \$ | 41.4% | 58.6% |

* Revenue was not reported for 16.8% of the businesses in the assessment area.

The table above shows the distribution of the 20 commercial and business purpose loans sampled.

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 were no consumer complaints regarding ENB's CRA performance during this evaluation period.

Fair Lending Review

A fair lending examination was not performed in conjunction with this CRA examination. However, a fair lending examination was performed as of September 30, 1999 in conjunction with an onsite consumer compliance examination. We noted no practices intended to discourage or impede potential borrowers from applying for credit during that examination, and noted no changes in the bank's policies or practices at this CRA examination.