



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

May 7, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Bowie
Charter Number 4265
101 W. Tarrant
Post Office Box 1081
Bowie, Texas 76230**

**Comptroller of the Currency
1600 Lincoln Plaza
500 North Akard Street
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 of Bowie**, prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of May 7, 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.

First National Bank of Bowie's performance reflects satisfactory responsiveness to the credit needs of the different communities served. The bank's loan to deposit ratio is reasonable and is comparable to the ratios of area competing banks. The majority of loans are within the bank's designated assessment areas and penetrate all of the different income sectors.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	FIRST NATIONAL BANK OF BOWIE 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	Distribution not performed as it would not be meaningful.		
Response to Complaints	No complaints since last examination.		

DESCRIPTION OF INSTITUTION

First National Bank of Bowie (FNB-Bowie) is owned by First National Bowie Bancorp, Inc., a one bank holding company. The main bank is located in Bowie, Texas with branches in Alvord, Decatur, Henrietta, and Nocona. Total assets of the bank, as of March 31, 1997, were \$184,276,855. FNB-Bowie's asset mix consists of 50% investment securities and 45% loans.

The bank offers a variety of credit products including consumer, real estate and commercial credits. Primary components of the loan portfolio are as follows; Commercial real estate and business loans 29%, agricultural loans 29%, residential real estate 12%, and other consumer loans 21%.

FNB-Bowie's financial condition does not inhibit its ability to meet credit needs in its assessment area. Additionally, the bank has no legal impediments that would inhibit its ability to meet community credit needs.

DESCRIPTION OF ASSESSMENT AREA

FNB-Bowie's assessment areas consists of three north Texas counties, two block numbering areas (BNAs) in another county, and a small portion of southern Oklahoma. The bank's assessment areas correspond with the main bank and four branch locations. Community contacts in the assessment areas revealed no unmet credit needs.

Assessment Area One represents the main office of FNB-Bowie and includes all the southern half of Montague County, Texas, along with two BNAs in northeast Jack County, Texas.

Assessment Area Two represents the Nocona Branch and includes all of the northern half of Montague County, Texas, two BNAs in southern Jefferson County, Oklahoma, and one block numbering area in southern Love County, Oklahoma.

Assessment Area Three represents the Alvord and Decatur branches and covers all of Wise County, Texas.

Assessment Area Four represents the Henrietta Branch and covers all of Clay County, Texas.

See the following table for assessment area details.

	Population of County *	Local Economic Base	Census Tract Data	Unemployed Labor
Assessment Area One and Two	Montague Co. 17,274 nominal growth	Agriculture\Livestock Retail Manufacturing Oil	low--0 moderate--1 middle--5 upper--0	2%
Assessment Area Three	Wise Co. 34,679 moderate growth	Retail (auto related) Agriculture\Livestock	low--0 moderate--0 middle--3 upper--3	3%
Assessment Area Four	Clay Co. 10,024 nominal growth	Agriculture\Livestock Oil	low--0 moderate--0 middle--3 upper--1	2%

* EACH ASSESSMENT AREA'S MEDIAN FAMILY INCOME IS \$24,586.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

FNB-Bowie's lending performance is satisfactory. The bank makes consumer, agricultural, credit card, real estate, and small business loans throughout all assessment areas to individuals with differing income levels. A review of fair lending regulations revealed no evidence of discriminatory practices, and no violations of the substantive provisions of antidiscrimination laws.

Loan to Deposit Ratio

FNB-Bowie is competitive in each assessment area which is in part reflected in the loan-to-deposit ratio (LTD). Inside of the bank's different assessment areas, there are several other banks and/or branches of area banks that are considered the primary competition. FNB-Bowie's overall LTD reflects satisfactory performance at 52% compared to the ratios of these other institutions which range from 12% to 72%.

Assessment Area Concentration

A substantial majority of loans are made within the bank's assessment area. We sampled 135 mortgage, consumer, and commercial loans. Our analysis indicated that

90.4% of the loan reviewed were in the assessment area.

Income Distribution

FNB-Bowie's loan distribution reflects a reasonable penetration among borrowers of different income levels. An income analysis was provided by the bank to determine income distribution within its loan portfolio. Although the income levels monitored by the bank differed slightly from the CRA's guidelines, the information proved useful in determining loan penetration. The income analysis included all consumer loans made within the last year. The analysis indicated that approximately 56% of loans made in the last year were to low and moderate income individuals. The bank's agriculture and small business consumers predominantly consist of businesses with gross revenues below \$500,000 and \$1 million respectively.

Geographic Distribution of Loans

A geographic distribution analysis was not performed during this examination as it would not be meaningful. There are no distinguishable low income BNA's in the assessment areas. Plotting loans in a geographical analysis would not be representative of the specific income of the individuals in certain geographies.

Response to Substantiated Complaints

During this evaluation period, FNB-Bowie has not received any consumer complaints regarding CRA performance.