



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

July 17, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank in Munday
Charter Number 13593**

**111 South Munday Avenue
Munday, Texas 76371**

**Office of the Comptroller of the Currency
Southwestern District
500 N. Akard, 1600 Lincoln Plaza
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 the **First National Bank in Munday** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of July 17, 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's lending performance reflects satisfactory responsiveness to its community credit needs. The bank's loans to deposit ratio at 72% is reasonable and comparable to that of other local institutions. Most of the loans are within the bank's designated assessment area and reasonably penetrate the different income levels.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>FIRST NATIONAL BANK IN MUNDAY</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 received since the prior examination.		

DESCRIPTION OF INSTITUTION

First National Bank in Munday (FNB/Munday) has one office located in the city of Munday, Texas. The bank has total assets of \$32 million with \$20 million in total loans.

FNB/Munday is owned by First Munday Bancshares, Inc. The controlling owner of First Munday Bancshares, Inc. is First Weatherford Bancshares, Inc., Weatherford, Texas. First Weatherford Bancshares, Inc. is in turn controlled by First Baird Bancshares, Inc., Baird, Texas. Controlling shareholders of First Baird Bancshares, Inc., Joe Sharp and family, reside outside Munday. The bank is locally managed. There are no financial or legal impediments to the bank's ability to meet the credit needs of its assessment area.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area includes Knox County, Texas and does not arbitrarily exclude any low- to -moderate income areas. Total population of the assessment area is approximately five thousand according to 1990 census data with a median family income of \$22 thousand. The local economy is stable. Employment is tied to farming, ranching, and agriculture related businesses. Primary credit needs are agricultural loans, housing loans, general consumer loans, and small business loans. The bank is responsive to the credit needs in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

FNB/Munday has a satisfactory lending performance. The bank's loan-to-deposit ratio averaged 72% for the past four quarters and is comparable to the other local institutions.

A substantial majority of the bank's lending is within the assessment area. Analysis performed by the bank reflected 74% of the loans on the bank's books were within the assessment area. The bank has also purchased portions of bond issues for infrastructure improvements in the city of Munday.

The loan distribution to borrowers reflects a satisfactory penetration among individuals of different income levels. No low- and moderate-income zones within the assessment area were excluded. Bank data shows a reasonable distribution of loans within the assessment area.

During this evaluation period, FNB/Munday has not received any complaints regarding CRA performance. Based on the fair lending portion of the examination, no violations of the substantive provisions of antidiscrimination laws and regulations were identified.