



**SMALL BANK**

---

Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

---

## **PUBLIC DISCLOSURE**

**September 27, 2005**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

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

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

**Comptroller of the Currency  
Oklahoma City (cent & West Ok  
301 NW 63rd Street Harvey Pkwy. Bldg., Suite 490  
Oklahoma City, OK 73116**

**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.**

## **INSTITUTION'S CRA RATING**

**This institution is rated Satisfactory.**

The major factors that support this rating include:

- The bank's lending performance is satisfactory given its size, financial condition, and known credit needs in its assessment area.
- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- The bank exceeds the standard for satisfactory performance for lending to borrowers of different incomes and business of different sizes.
- The bank generates a majority of its loans within the defined assessment area.

Exchange National Bank of Moore, Oklahoma is committed to serving the community. This is demonstrated by satisfactory lending performance as described in this Public Disclosure.

## 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 5<sup>th</sup> Street in Moore, Oklahoma. ENB has one automated teller machine that is also located at the main bank. Since the last evaluation, the bank opened a branch September 2001 and closed it July 2003. The bank's primary focus is to serve commercial and consumer customers in the city of Moore and surrounding areas. The bank meets these needs by providing traditional loan and deposit products and services, telephone and Internet access.

As of June 30, 2005, ENB's total assets equaled \$81.9 million, of which \$45.2 million, or 55 percent, were composed of various types of loans to individuals and commercial businesses. Specifically, the bank's loan portfolio consists of the following:

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Commercial Real Estate Loans	27,058	59.86%
Commercial Loans	4,016	8.89%
Residential Real Estate Loans	7,061	15.62%
Consumer Loans	6,988	15.46%
Other Loans	77	.17%
<b>Total</b>	<b>\$45,200</b>	<b>100.00%</b>

There are no legal or financial impediments to prevent the bank from meeting the credit needs within the assessment area. The bank received a "Satisfactory" rating at the prior CRA examination, dated May 28, 2001.

## DESCRIPTION OF ASSESSMENT AREA

The assessment area adopted by ENB consists of whole geographies, does not reflect illegal discrimination and does not arbitrarily exclude low- or moderate-income geographies. It meets the requirements of the CRA regulation.

The following demographic and economic characteristics for the assessment area are based on 2000 census data.

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<i>Population</i>	
Number of Families	22,909
Number of Households	29,609
<i>Geographies</i>	
Number of Census Tracts/BNA	20
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	0%
% Middle-Income Census Tracts/BNA	55.00%
% Upper-Income Census Tracts/BNA	45.00%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	54,550
2004 HUD-Adjusted MFI	52,200
<i>Economic Indicators</i>	
2000 Median Housing Value	\$90,524
# of Households Below Poverty Level	1,576

ENB has defined their assessment area as the twenty contiguous census tracts within the Oklahoma City Metropolitan Statistical Area consisting of the city of Moore, Oklahoma and the Moore Public School District. The total population of the assessment area equates to 79,743, with 14,398 or 18.06 percent of the population as minority. The largest minority representation consists of Hispanics, at 4.65 percent of the population. 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 22,909 families, 11.04 percent are low-income families and 14.59 percent are moderate-income families.

The local economic conditions are good with a steady growth in residential and commercial development. 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.

ENB faces strong competition from several branches of larger financial institutions and credit

unions in the assessment area. ENB is the only stand-alone bank in their assessment area.

A community contact was made during the examination to help ascertain the credit needs of the assessment area. The immediate credit needs of the community are being fulfilled, according to the contact. Future needs for the city of Moore will be with the revitalization of the downtown area. ENB is involved in community development activities and programs in the area.

## CONCLUSIONS ABOUT PERFORMANCE CRITERIA

This review concentrated on the bank’s primary loan products. As of June 30, 2005, the bank’s primary loan products are residential real estate, commercial and consumer loans. Therefore, we utilized 2003, 2004, and 2005 originations for these loan types to evaluate the lending performance component.

### Loan-to-Deposit Ratio

The bank’s loan-to-deposit (LTD) ratio is reasonable given the institution’s size, financial condition, and assessment area credit needs. This determination is based on the bank’s quarterly average LTD ratio from June 30, 2001 through June 30, 2005 of 70.44%. The average quarterly LTD of the forty-three banks chartered in Cleveland County and the five surrounding counties is 72.57%.

### Lending in Assessment Area

ENB’s lending in their assessment area meets the standard for satisfactory performance. The majority of the loans are originated in the bank’s assessment area. This conclusion is based on Home Mortgage Disclosure Act (HMDA) data for loans originated in 2003, 2004 and as of June 30, 2005 and the samples of 20 commercial and 22 consumer loans that originated in 2004 and 2005, as depicted in the following table:

<b>Table 1 - Lending in the Assessment Area</b>										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Real Estate	145	59.18%	100	40.82%	245	4,283,000	55.56%	3,426,000	44.44%	7,709,000
Commercial	12	60.00%	8	40.00%	20	2,315,352	44.17%	2,927,043	55.83%	5,242,395
Consumer	13	59.09%	9	40.91%	22	95,383	59.30%	65,479	40.70%	160,862
Totals	170	59.23%	117	40.77%	287	6,693,735	51.05%	6,418,522	48.95%	13,112,257

Source: Home purchase, Refinance, and Home Improvement loans reported under HMDA and loan samples.

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

ENB exceeds the standard for satisfactory performance for lending to borrowers of different incomes and business of different sizes. The following tables represent a favorable distribution of lending based on HMDA data for 145 residential real estate loans and the sample of 12 commercial and 13 consumer loans extended within the assessment area.

<b>Table 2 - Borrower Distribution of Residential Real Estate Loans</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Real Estate	11.04%	19.31%	14.59%	12.41%	23.84%	26.90%	50.53%	41.38%

Source: Home purchase, Refinance, and Home Improvement loans reported under HMDA and U.S. Census data.

The number of real estate loans extended to low- and moderate-income families compares favorably to the percentages of those families represented in the assessment area.

<b>Table 2A - Borrower Distribution of Loans to Businesses</b>				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	68.64%	4.47%	26.89%	100%
% of Bank Loans in AA by #	75.00%	25.00%	00%	100%
% of Bank Loans in AA by \$	47.37%	52.63%	00%	100%

Source: Loan sample and U.S. Census data.

The sample of commercial loans revealed that a majority was extended to small businesses with annual gross revenues of less than \$1 million per year.

<b>Table 2B - Borrower Distribution of Consumer Loans</b>								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	11.34%	23.05%	13.06%	38.47%	19.33%	7.70%	56.27%	30.78%

Source: Loan sample and U.S. Census data.

The number of consumer loans extended to low- and moderate-income households compares favorably to the percentages of those households represented in the assessment area.

## Geographic Distribution of Loans

An analysis of the 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**

ENB has not received any complaints about its performance in helping to meet assessment area needs during this evaluation period.

### **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of illegal discrimination or other illegal credit practices.