



Comptroller of the Currency
Administrator of National Banks

SMALL BANK

PUBLIC DISCLOSURE

May 3, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Yukon National Bank
Charter Number 10196**

**401 Elm Street
Yukon, Oklahoma, 73154**

**Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza
500 North Akard
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 **Yukon National Bank, Yukon, Oklahoma** as prepared by **The Comptroller of the Currency**, the institution's supervisory agency, as of May 3, 1999. 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. Consistent with its resources and capabilities, the bank is meeting the credit needs of its assessment area, including those of low- and moderate-income individuals, in a reasonable manner.

The following table indicates the performance level of **Yukon National Bank, Yukon, Oklahoma**, with respect to each of the five performance criteria.

SMALL INSTITUTION ASSESSMENT CRITERIA	Yukon National Bank, Yukon, Oklahoma 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	There have been no CRA related complaints received.		

DESCRIPTION OF INSTITUTION:

Yukon National Bank is headquartered in Yukon, Oklahoma. Yukon National Bank is owned 100 percent by International Bankshares of Oklahoma, Incorporated. The main bank and a drive-through facility are located at 401 Elm Street. A branch facility is located at 218 North Mustang Road in Mustang, Oklahoma. Automated Teller Machines (ATM) are available at 400 West Main, 1000 West Vandament, and 1211 South Cornwell Drive, all in Yukon; and one ATM located at 1550 North Mustang Road in Yukon. The bank's primary focus is to serve commercial, real estate, and consumer customers in Eastern Canadian County. The bank meets these needs by providing various loan and deposit products, as well as, other financial services.

As of December 31, 1998, Yukon National Bank's total assets equaled \$93,119,000 of which \$46,718,000 or 50.17 percent, were composed of loans to individuals and businesses. The \$46,718,000 in loans outstanding consisted of \$31,720,000 in residential and commercial real estate (67.90 percent), \$8,405,000 in commercial loans (17.99 percent), and \$5,814,000 in consumer loans (12.44 percent).

There are no known factors which have or may potentially impede the bank's ability to meet the credit needs of its assessment area. The last review of performance under the Community Reinvestment Act was completed as of June 5, 1995.

DESCRIPTION OF YUKON NATIONAL BANK ASSESSMENT AREA:

The assessment area adopted by the bank's board of directors includes 13 census tracts located in Eastern Canadian County. This area meets the requirements of the regulation. It does not arbitrarily exclude any low or moderate income geographies. More details on the assessment area are provided below.

Canadian County is part of the Oklahoma City Metropolitan Statistical Area (MSA). The assessment area contains 13 census tracts in eastern Canadian County. Based on 1990 census data, the United States Census Bureau identifies the 13 tracts as follows: One tract, or 7.69 percent of the AA, is considered a moderate income tract. Four tracts, or 30.77 percent, are considered middle income tracts. Eight tracts, or 61.54 percent, are considered upper income tracts. There are no lower income tracts in the assessment area.

United States Census Bureau information as of 1990 reflected a total population of 51,142 in the assessment area. The area contained 18,760 housing units with 13,625 or 72.63 percent owner occupied. Additionally, there were 14,350 families and 17,433 households in the area. Eighty Eight percent of the households derive their income from wages or salaries. The largest employment sectors were manufacturing, retail trade, and service industries.

Per the 1990 census, the households and families are divided among the income categories as follows:

Description	Low Income ($< 50\%$ of Median)	Moderate Income ($50-80\%$ of Median)	Middle Income ($80-120\%$ of Median)	Upper Income ($> 120\%$ of Median)
% of Households	10.87%	11.14%	18.30%	59.69%
% of Families	8.74%	12.68%	25.17%	53.41%

The 1990 census median family income for the assessment area was \$40,650. Median household income for the assessment area was \$37,384. Census median family income for the Oklahoma City MSA was \$32,406. The Department of Housing and Urban Development's most recent estimate of median family income for the Oklahoma City MSA was \$41,300.

The Canadian County area is served by six other national and state chartered banks. The area is also served by branches of these banks, as well as, the branches of other banks and savings and loans.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

The loan to deposit ratio is reasonable given the institution's size, financial condition, and assessment area credit needs. As such, it meets the standard for satisfactory performance. The average quarterly loan to deposit ratio from September 30, 1995 through March 31, 1999 was 55.96 percent. The ratio as of March 31, 1999 was 53.93 percent. The low ratio for the period was 51.49 percent at June 30, 1998. The high ratio for the period was the 60.96 percent at December 31, 1997.

Yukon National Bank's ratio compares reasonably well to the average loan to deposit ratio for the thirty one banks operating in Canadian County and adjacent counties. The average ratio for this group of banks was 60.91 percent at December 31, 1998. This was up from 58.64 percent at December 31, 1996. The low ratio in this group at December 31, 1998 was 24.47 percent and the high ratio was 97.07 percent.

Lending in Assessment Area

A majority of credit extended is within the assessment area. The volume of credit extended in the assessment area meets the standard for satisfactory performance. The analysis of 1998 lending activity provided by the bank noted the following results:

Loan Sample	% of Loans Inside Area	% of Loans Outside Area	% of Loan Dollars Inside Area	% of Loan Dollars Outside Area
Consumer Loans	64.08%	35.92%	59.15%	49.15%
Real Estate Loans	57.66%	42.34%	52.55%	47.45%
Agricultural Loans	50.00%	50.00%	67.13%	32.87%
Commercial Loans	61.56%	38.44%	49.37%	50.63%
Combined Totals	61.67%	38.33%	52.52%	47.48%

Lending to Borrowers of Different Incomes

The distribution of borrowers reflects reasonable penetration among individuals of different income levels and businesses of different revenue sizes within the assessment area. The following table uses income data collected from the 1998 and year-to-date 1999 HMDA-LAR's for residential real estate lending and a random sample of forty seven consumer loans. (Note, not all of the loans reviewed contained information about income levels).

Description	% to Low Income Borrowers	% to Moderate Income Borrowers	% to Middle Income Borrowers	% to Upper Income Borrowers
Number of Loans (381)	12.60%	17.32%	21.78%	48.29%
Dollars of Loans (\$22,454,000)	3.36%	15.29%	18.73%	62.61%

The following table uses revenue data collected from twenty business loans in the assessment area. The number and dollar volume of loans in the three revenue groups compares adequately to the distribution of companies in the assessment area reporting revenues in the 1990 census.

Description	% with less than \$500,000 in revenues	% with \$500,000 to \$1,000,000 in revenues	% with greater than \$1,000,000 in revenues
Number of Loans (20)	45%	15%	40%
Dollars of Loans (\$4,435,000)	27%	12%	61%
Number of Businesses/Farms (1,054)	87%	6%	6%

Geographic Distribution of Loans

The distribution of loans meets the standards for satisfactory performance. This conclusion is based on a review of the loan activity analysis provided by the bank for the year 1998. The results of this analysis are depicted in the table below.

Distribution of Loans by Census Tract Types								
Description	# of Tracts in AA	% of Total Tracts	# of Tracts with Loans	# of Loans in Tracts	\$ of Loans in Tracts (000)	% of Total Loans (#)	% of Total Loans (\$)	% of Population in Tracts
Low Income Tracts	0	0.00	0	0	0	0.00	0.00	0.00
Moderate Income Tracts	1	7.69	1	4	139	0.40	0.48	0.17
Middle Income Tracts	4	30.77	3	343	8,668	34.16	29.98	35.19
Upper Income Tracts	8	61.54	8	657	20,106	65.44	69.54	64.64
Total Tracts	13	100.00	12	1,004	28,913	100.00	100.00	100.00

Responses to Complaints

No complaints concerning the Community Reinvestment Act have been received since the last examination of the bank.

Fair Lending Matters

No violations of the substantive provisions of antidiscrimination laws and regulations were identified. Additionally, no evidence of discrimination or disparate treatment was found. The lending practices of Yukon National Bank are reflective of antidiscrimination policies.