



PUBLIC DISCLOSURE

May 07, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Shamrock Bank, National Association
Charter Number 12529

101 N. Main Street
Coalgate, OK 74538

Office of the Comptroller of the Currency

8282 South Memorial Drive
Suite 300
Tulsa, OK 74133

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 COMMUNITY REINVESTMENT ACT (CRA) RATING: This institution is rated Satisfactory

The major factors supporting the institution's rating include the following:

- The loan-to-deposit (LTD) ratio is *reasonable* based on the bank's performance context and lending opportunities within its assessment area (AA).
- A *substantial majority* of the bank's loans originated during the review period are inside the bank's AA.
- The bank's distribution of loans reflects *reasonable penetration* of loan originations among borrowers of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects a *reasonable dispersion* of loans in most census tracts throughout the bank's AA.

SCOPE OF CRA EVALUATION

We evaluated Shamrock Bank N.A. (SBNA) using the Small Bank standards for assessing performance. SBNA's primary loan products include business loans and residential real estate loans. The lending test evaluates the bank's record of meeting the credit needs of its AA, and we assessed the bank's performance under this test using a loan sample comprising 40 1-4 family residential purchase loans and 40 commercial real estate (CRE) loans originated from January 2, 2015 through December 31, 2017. SBNA is not required to report under the Home Mortgage Disclosure Act (HMDA). The sample is representative of the bank's business strategy since the last CRA Performance Evaluation.

A CRA Performance Evaluation was last prepared May 5, 2014, and a "Satisfactory" rating was assigned. There are no known legal, financial, or other factors impeding the bank's ability to meet the credit needs of its AA.

DESCRIPTION OF INSTITUTION

SBNA is a \$312 million rural community bank headquartered in Coalgate, Oklahoma, and a subsidiary of Shamrock Bancshares, Inc., a one-bank holding company. SBNA serves its AA with a main banking facility at 101 N. Main Street, Coalgate, Oklahoma, which is in a middle-income census tract. The bank also has six full-service branch locations and two stand-alone Automated Teller Machines (ATM) throughout the AA. The branches in Bryan, Caddo, Coal, and Kiowa counties are in middle-income census tracts, the branch in Pushmataha County is in a moderate-income census tract, and the branch in Jackson County is located in an upper-income census tract.



One stand-alone ATM is located in a middle-income census tract in the city of Caddo, Oklahoma, which is in Bryan County. The other is located in a middle-income census tract in near the main bank facility in Coalgate, Oklahoma. SBNA offers a diverse line of loan and deposit products during reasonable hours, Monday through Saturday. SBNA also offers banking services by telephone and the internet.

Based on the June 30, 2017 Federal Deposit Insurance Corporation (FDIC) Market Share Report, the bank’s presence in each AA is moderate, as they have 12 percent of the deposit market share in the Eastern Oklahoma AA, comprising Atoka, Bryan, Coal, and Pushmataha counties. The FDIC report also discloses the bank has 6 percent of the deposit market share in the Western Oklahoma AA, comprising Caddo, Jackson, and Kiowa Counties.

The following table describes the composition of the bank’s loan portfolio as of March 31, 2018, which represents approximately 63 percent of total assets. Management does not anticipate any significant changes in the composition of the loan portfolio in the near future.

Loan Type	Dollar (000's)	% of Portfolio
Construction and Land Development	\$18,611	9.48%
Farmland	\$22,327	11.36%
1-4 Family Real Estate	\$50,418	25.66%
Commercial Real Estate	\$44,328	22.56%
Multifamily Residential	\$5,426	2.76%
Agricultural Production	\$20,539	10.45%
Commercial and Industrial	\$20,807	10.59%
Consumer Loans	\$13,630	6.94%
Other	\$413	0.20%
Total Loan Portfolio	\$196,499	100%

Source: March 31, 2018 Consolidated Reports of Condition and Income

DESCRIPTION OF ASSESSMENT AREAS

SBNA has designated two AAs comprising seven complete counties in Oklahoma. The AAs meet the requirements of the regulation and do not arbitrarily exclude low-or-moderate-income geographies.

Eastern Oklahoma Assessment Area

The Eastern Oklahoma AA consists of 23 census tracts comprising all of Atoka, Bryan, Coal, and Pushmataha counties. In aggregate, seven are designated as moderate-income tracts and 16 are designated as middle-income tracts. The level of banking competition in the AA is high and includes approximately six commercial state-chartered banks and branches of non-local banks.



The following table describes the demographic and economic characteristics of this AA.

Demographic Information – Eastern Oklahoma AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	23	0.00%	30.43%	69.57%	0.00%
Population by Geography	105,891	0.00%	22.06%	77.94%	0.00%
Owner-Occupied Housing by Geography	19,783	0.00%	26.22%	73.78%	0.00%
Businesses by Geography	3,689	0.00%	42.78%	57.22%	0.00%
Farms by Geography	250	0.00%	24.40%	75.60%	0.00%
Family Distribution by Income Level	18,970	0.00%	29.31%	70.69%	0.00%
Household Distribution by Income Level	28,927	0.00%	32.05%	67.95%	0.00%
Weighted average of Median Family Income (MFI)	\$47,442	Weighted Average of Median Housing Value 2015			\$86,744
Weighted average of FFIEC-updated MFI: 2015	\$52,800	Households Below the Poverty Level			20.19%

Source: 2018 Dunn & Bradstreet Demographic Data; 2015 United States Census Data

Western Oklahoma Assessment Area

The Western Oklahoma AA consists of 22 census tracts comprising all of Caddo, Jackson, and Kiowa counties. In aggregate, three census tracts are designated as moderate-income tracts, 16 are designated as middle-income tracts, and three are designated as upper-income tracts. The level of banking competition in the AA is very high and includes approximately 20 commercial state-chartered banks and branches of non-local banks.

The following table describes the demographic and economic characteristics of this AA.

Demographic Information – Western Oklahoma AA					
	#	% Low	% Moderate	% Middle	% Upper
Geographies (Census Tracts)	22	0.00%	13.64%	72.72%	13.64%
Population by Geography	64,853	0.00%	15.69%	64.44%	19.87%
Owner-Occupied Housing by Geography	15,891	0.00%	10.49%	63.64%	25.87%
Businesses by Geography	3,083	0.00%	16.67%	65.49%	17.84%
Farms by Geography	430	0.00%	6.51%	66.98%	26.51%
Family Distribution by Income Level	16,187	0.00%	14.43%	62.65%	22.92%
Household Distribution by Income Level	24,361	0.00%	15.73%	63.08%	21.19%
Weighted average of Median Family Income (MFI)	\$51,270	Weighted Average of Median Housing Value			\$82,131
Weighted average of FFIEC-updated MFI: 2015	\$52,800	Households Below the Poverty Level			18.62%

Source: 2018 Dunn & Bradstreet Demographic Data; 2015 United States Census Data

Community Contact

The OCC contacted two community leaders within the AA’s to get a better understanding of the general community credit and development needs, and discuss local economic conditions. One contact specifically referenced SBNA as a leader in the local communities by helping schools, civic organizations, and local businesses, and the other contact stated that all financial institutions were doing a good job of providing ample deposit and credit opportunities, and demonstrating a willingness to participate in community development opportunities. Both contacts indicated a need within the AAs for more residential and affordable housing, additional small business opportunities, and funding for infrastructure improvements. Neither of the community contacts is aware of any discriminatory practices by local financial institutions.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

The bank has a *reasonable* LTD relative to their financial condition, local banking competition, and credit needs of the AA. Since the previous CRA Performance Evaluation, the bank’s quarterly average LTD ratio averaged 63 percent, compared to a 76 percent aggregate average by three other competing banks within or near the AA during the same period. SBNA does not sell loans on the secondary market.

Institution	Total Assets (as of March 31, 2018)	Average LTD Ratio
Shamrock Bank National Association	\$312 Million	63%
Frazer Bank	\$327 Million	63%
First United Bank and Trust Company	\$6.4 Billion	79%
Legacy Bank	\$473 Million	86%

Source: March 31, 2018 Consolidated Reports of Condition and Income; Uniform Bank Performance Report

Lending in Assessment Area

Our loan sample reveals that a *substantial majority* of the number and dollar level of loans originated during the review period are inside the bank’s AA. The following table presents a more specific identification of loan types inside and outside of the bank’s AA.

Lending in AA										
Loan Type	Number of Loans					Dollars of Loans (\$000’s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	34	85%	6	15%	40	\$4,064	87%	\$621	13%	\$4,685
CRE	32	80%	8	20%	40	\$11,259	65%	\$6,026	35%	\$17,285
Totals	66	83%	14	17%	80	\$15,323	70%	\$6,647	30%	\$21,970

Source: Loan Sample.

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

Lending patterns during the review period indicate a *reasonable penetration* of loan originations among borrowers of different income levels and businesses of different sizes. SBNA faces intense competition from numerous local and regional financial institutions in both the Eastern Oklahoma and Western Oklahoma AAs. Within the AA is a large regional hospital in Altus, Oklahoma which draws a large number of medical professionals to the area. The following tables present a more specific identification of loan distribution patterns among borrowers within each AA.

Borrower Distribution of Residential Real Estate Loans in Eastern Oklahoma AA								
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
Home Purchase	24%	18%	20%	18%	20%	29%	36%	35%

Source Loan Sample; 2015 United States Census data.

Borrower Distribution of Residential Real Estate Loans in Western Oklahoma AA								
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
Home Purchase	23%	18%	17%	18%	20%	18%	40%	46%

Source Loan Sample; 2015 United States Census data.

Borrower Distribution of Loans to Businesses in Eastern Oklahoma AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	79%	6%	15%	100%
% of Bank Loans in AA by #	86%	14%	0%	100%
% of Bank Loans in AA by \$	89%	11%	0%	100%

Source: Loan sample; 2017 Dunn and Bradstreet data.

Borrower Distribution of Loans to Businesses in Western Oklahoma AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	75%	5%	20%	100%
% of Bank Loans in AA by #	89%	11%	0%	100%
% of Bank Loans in AA by \$	90%	10%	0%	100%

Source: Loan sample; Dunn and Bradstreet data.



Borrower Distribution of Loans to Businesses by Loan Size in Eastern Oklahoma AA				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	3	21%	\$201,535	4%
\$100,001 - \$250,000	4	29%	\$772,864	17%
\$250,001 - \$500,000	4	29%	\$1,827,941	38%
\$500,001 - \$1,000,000	3	21%	\$1,986,546	41%
Over \$1,000,000	0	0%	\$0	0%
Total	14	100%	\$4,788,886	100%

Source: Loan sample.

Borrower Distribution of Loans to Businesses by Loan Size in Western Oklahoma AA				
Loan Size (000's)	Number of Loans	Percent of Number	Dollar Volume of Loans	Percent of Dollar Volume
\$0 - \$100,000	2	11%	\$72,648	1%
\$100,001 - \$250,000	9	50%	\$1,432,454	22%
\$250,001 - \$500,000	3	17%	\$1,236,039	19%
\$500,001 - \$750,000	2	11%	\$1,246,377	19%
\$750,001 - \$1,000,000	0	0%	\$0	0%
>\$1,000,000	2	11%	\$2,563,335	39%
Total	18	100%	\$6,550,853	100%

Source: Loan sample.

Geographic Distribution of Loans

Lending patterns during the review period indicate *reasonable dispersion* of loans within the bank's AA's, particularly in the moderate-income census tracts. The following tables reflect the geographic distribution of residential real estate loans and commercial and industrial loans, relative to the income level of the census tracts within the AA.

Table 3A - Geographic Distribution of Residential Real Estate Loans in Eastern Oklahoma AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0%	0%	30%	29%	70%	71%	0%	0%

Source: Loan Sample and 2015 United States Census data



Table 3B – Geographic Distribution of Residential Real Estate Loans in Western Oklahoma AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0%	0%	14%	12%	72%	76%	14%	12%

Source: Loan sample and 2015 United States Census data.

Table 3E - Geographic Distribution of Commercial Loans in Eastern Oklahoma AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans
CRE	0%	0%	43%	36%	57%	64%	0%	0%

Source: Loan sample and 2015 United States Census data.

Table 3E - Geographic Distribution of Commercial Loans in Western Oklahoma AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans	% of AA Businesses	% of Loans
CRE	0%	0%	17%	17%	65%	55%	18%	28%

Source: Loan sample and 2015 United States Census data.

Responses to Complaints

There have been no consumer complaints regarding SBNA’s performance under the CRA during the evaluation period. The bank’s CRA Public File contains all of the required information.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. § 25.28(c), or 12 C.F.R. § 195.28(c), in determining a national bank’s (bank) or Federal savings association’s (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank’s or FSA’s lending performance. We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

