



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

June 23, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Burleson
Charter Number 17001**

**899 Alsbury Boulevard, Northeast
Burleson, Texas 76028**

**Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza, 500 N. 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 the **First National Bank of Burleson, Burleson, Texas**, prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, **as of June 23, 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**.

The lending performance of First National Bank of Burleson reflects satisfactory responsiveness to its community's credit needs. The loan-to-deposit ratio is 49% and reasonable in comparison to other institutions in the surrounding area. A majority of the loans extended are within the bank's assessment area and reasonably penetrate the different income areas and individuals of different income levels.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	(NAME OF FINANCIAL INSTITUTION) 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 were received since the prior examination		

DESCRIPTION OF INSTITUTION

The First National Bank has one main banking office located in Burleson, Texas. This is the only bank location offering services. The bank has one automatic teller machine (ATM) located at the main bank facility. As of March 31, 1997, the bank has total assets of \$67 million with \$29 million in total loans. The bank's primary market consists of small businesses, real estate, and consumers.

The bank is 100% owned by Citadel Bancorp, Inc., a two-tiered holding company. The bank is owned and managed by local individuals.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area consists of census tracts in southern Tarrant County and the majority of census tracts in Johnson County. This partial Metropolitan Statistical Area, including the City of Burleson and a portion of the City of Fort Worth, has a population of approximately forty-two thousand according to 1990 census data. The median family income is \$37 thousand per year. Employment is primarily centered in light manufacturing and small companies. The primary credit needs are small business, real estate, housing, and general consumer loans. The majority of the bank's assessment area consists of low-to-moderate income areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

The First National Bank of Burleson has a satisfactory lending performance. The bank's loan-to-deposit ratio as of March 31, 1997, is 49%. It has averaged 50% during the four quarters of 1996. It is reasonable when compared to other peer institutions and to those comparable banks in the surrounding area which have loan-to-deposit ratios ranging from 24% to 70%. The number and volume of loans extended to small business, general consumers, and low-to-moderate income persons indicate the bank is responsive to the credit needs of the community.

The bank makes consumer, real estate, and small business loans throughout the assessment area. Much of the bank's assessment area consists of low-to-moderate income areas. The bank maintains geographic location data by census tract and zip codes on the entire loan portfolio. We tested this data and found it to be accurate.

Approximately \$16 million in loans or 56% of the portfolio were made within the bank's assessment area. The data indicated a reasonable amount of loans extended into the various census tracts in the area. Loans are distributed throughout the geographies emphasizing those that are more heavily populated. No area was arbitrarily excluded.

From information generated for the Home Mortgage Disclosure Act-Loan Activity Report (HMDA-LAR) and a sample of loans, we determined that the bank lends to a variety of borrowers with varying income levels. Our loan sample indicated the bank extends loans to a variety of large and small businesses. We found no specific category of borrower by income or business revenue in which there is little or no penetration. No income level in the bank's area has been excluded. The bank extends small unsecured loans with balances less than \$1 thousand, and the majority of these loans are extended to low and moderate income persons.

During this review period the First National Bank of Burleson has not received any consumer complaints regarding its Community Reinvestment Act performance. Based upon our fair lending analysis during this examination, no violations of the substantive provisions of discrimination laws and regulations were identified.