

PUBLIC DISCLOSURE

February 19, 1999

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Great Plains National Bank
Charter #23049

2017 West Third
Elk City, Oklahoma 73644

Office of the Comptroller of the Currency
Southwestern District
1600 Lincoln Plaza
500 North Akard Street
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 **Great Plains National Bank, Elk City, Oklahoma**, prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **February 19, 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 Outstanding.

Great Plains National Bank, Elk City, Oklahoma (GPNB) is very responsive to the credit needs of the communities which it serves. This is demonstrated by the following:

- GPNB is a leading lender in its assessment area as indicated by continuing increases in its loan portfolio and market share.
- A strong majority of GPNB's loans are within its assessment area.
- Consumer loans to low- and moderate-income borrowers substantially exceed the volume of low- and moderate-income families in the assessment area.
- GPNB has demonstrated an exceptional willingness to extend loans to small businesses and small farms.
- Geographic distribution of GPNB's loans reflects good levels of penetration in all geographies and communities served.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	<u>GREAT PLAINS NATIONAL BANK</u> Elk City, 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	No complaints have been received since the prior examination		

DESCRIPTION OF INSTITUTION

Great Plains National Bank has its main headquarters in Elk City, Oklahoma. It is a subsidiary of Great Plains Bancshares, Incorporated, a \$149,000,000 bank holding company. The main bank and drive-in facility are located at 2017 West Third in Elk City, Oklahoma. Full service branches with drive-in facilities are also located in Granite, Hollis, Mangum, and Sayre, Oklahoma. Another full service branch is located in Eldorado, Oklahoma. Automated Teller Machine (ATM) services are available at 2700 West Third in Elk City, at the branch locations in both Hollis and Sayre, and at 1306 North Louis Tittle Avenue in Mangum. The bank's primary focus is to serve commercial, agricultural, and consumer customers in the above communities and the surrounding areas in southwestern Oklahoma. The bank meets these needs by providing various loan and deposit products as well as other financial services.

As of December 31, 1998, Great Plains National Bank's total assets equaled \$138,038,000, of which \$96,659,000, or 70.02 percent, were composed of various types of loans to individuals and businesses. The \$96,659,000 in loans outstanding consisted of \$39,912,000 in agriculture loans, (41.29 percent), \$18,118,000 loans secured by 1-4 family residential real estate, (18.74 percent), \$12,909,000 in nonresidential real estate loans, (13.36 percent), \$12,705,000 in commercial loans, (13.14 percent), and \$13,016,000 in consumer loans, (13.47 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. Great Plains National Bank's performance under the Community Reinvestment Act was previously evaluated as of January 10, 1997 with an outstanding rating assigned.

DESCRIPTION OF THE ASSESSMENT AREA:

The assessment area adopted by the bank's Board of Directors meets the requirements of the regulation. It does not arbitrarily exclude any low or moderate income geographies. The assessment area is described in more detail below.

Great Plains National Bank Assessment Area

The assessment area encompasses ten contiguous block numbering areas (BNA's) in Beckham, Greer, and Harmon counties, as well as western Jackson County in Oklahoma. Specifically, there are five BNA's in Beckham County (#9661, #9662, #9663, #9664, and #9665), two BNA's in Greer County (#9671 and #9672), two BNA's in Harmon County (#9676 and #9677), and one BNA in western Jackson County (#9683). Great Plains National Bank's main bank and branches are located in block numbering areas #9662 (Elk City), #9664 (Sayre), #9671 (Granite), #9672 (Mangum), #9676 (Hollis), and #9683 (Eldorado).

The adopted assessment area is justified by the following internally generated statistics. For loans originating between January 1, 1998 through December 31, 1998, 78.15 percent were originated within the assessment area. This represented 65.08 percent of the dollars loaned in that time period. For all loans outstanding as of December 31, 1998, 75.96 percent were in the assessment area. This represented 63.91 percent of all loan dollars outstanding.

Based on 1990 census data, the United States Census Bureau identifies two of the ten BNA's as moderate income. These are BNA #9665 in western Beckham County and BNA #9676 in western Harmon County. Only one block numbering area, #9662 in northeastern Beckham County, has been identified as an upper income BNA. The remaining seven block numbering areas are identified as middle income BNA's. No low income block numbering areas have been identified within the assessment area.

United States Census Bureau information as of 1990 reflected a total population of 31,341 in the three and one-half county area. The area contained 15,083 housing units with 8,879 or 58 percent owner occupied. Additionally, there were 8,689 families and 12,421 households in the area. Sixty-four percent of the households derive their income from wages or salaries. The largest employment sectors were services, government, retail trade, and farming related entities. 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	29.20%	15.58%	17.37%	37.85%
% of Families	23.45%	19.00%	20.63%	36.92%

* 1990 census median family income for the assessment area was \$22,589. Median household income for the assessment area was \$18,035. 1998 updated median family income for non-MSA locations in the State of Oklahoma was \$31,100.

The assessment area is served by six other chartered banks. Three of the banks are in Elk City, Oklahoma, one in Erick, Oklahoma, one in Mangum, Oklahoma, and one in Duke, Oklahoma. The area is also is served by branches of these banks and three other out of area banks in many of the communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

Loan to Deposit Ratio

The loan to deposit ratio is more than reasonable given the institution's size, financial condition, and assessment area credit needs. The average quarterly loan to deposit ratio from December 31, 1996 through September 30, 1998 was 71.67 percent. The low ratio for the period was 68.55 percent at June 30, 1997. The high ratio for the period was 76.13 percent at September 30, 1998.

Great Plains National Bank's ratio compares very well to the average loan to deposit ratio for the forty-three banks operating in the assessment area and the ten contiguous counties in Oklahoma and Texas. The average ratio for this group of banks was 53.97 percent at September 30, 1998. This was up from 52.07 percent at September 30, 1996. The low ratio in this group at September 30, 1998 was 24.85 percent and the high ratio was 102.19 percent.

Great Plains National Bank's ratio also compares very well to the average loan to deposit ratio for the six other banks headquartered in the assessment area. The average ratio for this group of banks was 61.94 percent at September 30, 1998. This was up from 57.51 percent at December 31, 1996. The low ratio in this group at September 30, 1998 was 47.66 percent and the high ratio was 79.79 percent.

Lending in Assessment Area

A strong majority of credit extended is within the assessment area. Great Plains National Bank internally geocodes each loan by zip code. An analysis as of December 31, 1998, reflected that 78.15 percent of the 3,638 loans originated in 1998 were extended within the assessment area. This represented 65.08 percent of the dollar volume of loans originated. Additionally, the data reflected that 75.96 percent of the bank's 5,528 outstanding loans as of December 31, 1998 were in the assessment area. This represented 63.91 percent of the total dollar volume of loans' outstanding.

As of December 31, 1998, bank management had made the decision to include Roger Mills County to the bank's current assessment area. However, at the time of this review the bank's Board of Directors had not yet approved this addition, therefore loans made within Roger Mills County were not included into percentages mentioned above. Loans made within Roger Mills County in 1998 amounted to \$1,743,369 or 3.02 percent of total loans made during the year. Total loans outstanding within Roger Mills County as of December 31, 1998 totaled \$2,632,390 and represented 2.43 percent of the banks total loans. Adding the Roger Mills County loans to the loans within the assessment area increases the level of loans within the assessment area to 78.52 percent. The adjusted total represents 66.35 percent of the dollar volume of loans outstanding as of December 31, 1998.

Lending to Borrowers of Different Incomes

The distribution of loans reflects a very good penetration among borrowers of different income levels and a strong penetration of small businesses and farms within the assessment area.

The following table uses income data collected from the random sample of consumer and residential loans selected for review. The bank has done an excellent job of meeting the consumer lending needs of low- and moderate-income borrowers. As indicated below, the percentage distribution of consumer loans for low- and moderate-income individuals exceeds that of the income characteristics of the assessment area. Furthermore, the percentage of combined loans to each income group compares very well to the distribution of families by income level.

Description	Percentage of Consumer Loans	Percentage of Consumer Real Estate Loans	Combined Consumer and Real Estate Loans	Families In Assessment Area by Income as % of Total
Low Income	33.00%	12.00%	23.00%	23.45%
Moderate Income	24.00%	24.00%	24.00%	19.00%
Middle Income	25.00%	20.00%	23.00%	20.63%
Upper Income	18.00%	44.00%	31.00%	36.92%

A review of the fifty-two agricultural and business loans sampled within the assessment area, noted that 98 percent of the loans were extended to small farms or businesses. A substantial majority of borrowers sampled grossed less than \$250,000 in annual revenues. The following table uses revenue data collected from the sampled business loans within the assessment area. Given the high volume of small businesses and farms in the assessment area based on revenues reported in the 1990 census, the number and dollar volume of loans distributed across the three income categories compares very well.

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 (52)	92.31%	5.77%	1.92%
Dollar of Loans (\$1,516,150)	71.95%	9.75%	18.30%
Number of Business/Farms (1,256)	87.87%	6.21%	5.92%

Geographic Distribution of Loans

The geographic distribution of loans reflects an excellent dispersion throughout the assessment area. Although Great Plains National Bank does not code loans by block numbering area, the bank does consistently record zip code information on all borrowers. A review of the geographic areas covered by postal zip codes used in the assessment area found them to closely parallel the geographic areas covered by the ten BNA's. Using this information, the zip code data on the originations and outstanding loans as of December 31, 1998 were converted to block numbering areas as well as possible. BNA's #9661 and #9662 were combined as zip codes for these areas could not be separated. The results reflected the following:

Distribution of Loans Originated and Loans Outstanding			
BNA Number with name of Major town and Zip Code	Percentage of Loan Originations 1/1/98 through 12/31/98	Percentage of Outstanding Loans as of 12/31/98	Percentage of Population in each BNA
BNA #9661 & 9662 (Elk City 73644)	31.34% of loans 31.99% of dollars	31.56% of loans 35.62% of dollars	39.35%
BNA #9663 (Carter 73627)	5.14% of loans 4.30% of dollars	5.17% of loans 5.29% of dollars	2.10%
BNA #9664 (Sayre 73662)	15.48% of loans 12.49% of dollars	16.17% of loans 12.76% of dollars	12.63%
BNA #9665 (Erick 73645 & 66)	3.65% of loans 3.02% of dollars	3.78% of loans 3.89% of dollars	5.94%
BNA #9671 (Granite 73547)	6.82% of loans 4.71% of dollars	7.14% of loans 4.19% of dollars	8.03%
BNA #9672 (Mangum 73554)	23.36% of loans 15.42% of dollars	20.91% of loans 13.91% of dollars	12.90%
BNA #9676 (Hollis 73550 & 71)	9.92% of loans 24.75% of dollars	10.48% of loans 20.80% of dollars	10.23%
BNA #9677 (Gould 73544)	0.46% of loans 0.26% of dollars	0.57% of loans 0.36% of dollars	1.87%
BNA #9683 (Eldorado 73537)	2.22% of loans 1.43% of dollars	2.50% of loans 1.61% of dollars	6.95%

Note, #9665 and #9676 are moderate income block numbering areas.

Data from the prior table indicates appropriate penetration of each BNA in the assessment area. That is, penetration commensurate with the percentage of people in each BNA. The data also indicates strong penetration of moderate income block numbering area #9676. The light penetration of block #9677 is explained by the existence of a bank in Gould, Oklahoma, with a loan to deposit ratio of 102%. This indicates that persons in that geographic area are being served and penetration of that geographic area would be difficult for other lenders. Penetration percentages for blocks #9665 and #9683 are slightly less than the average percentage population for these areas. These blocks represent sparsely populated areas where competing institutions operate branches.

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 Great Plains National Bank are reflective of antidiscrimination policies.