



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 17, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Weatherford National Bank
Charter Number 18280**

**101 North Main Street
Weatherford, Texas 76086**

**Comptroller of the Currency
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 **Weatherford National Bank** prepared by the **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of December 17, 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 Weatherford National Bank reflects satisfactory responsiveness to its community's credit needs as illustrated by the following:

- The loan to deposit ratio is reasonable in comparison to other institutions in the Parker County assessment area.
- A majority of the number and dollar volume of loans originated during this evaluation period are within Parker County.
- The lending pattern reflects a reasonable penetration among borrowers of all income levels and businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment area.
- The bank has received no consumer complaints concerning its CRA performance since the previous examination, dated May 9, 1994.

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

SMALL INSTITUTION ASSESSMENT CRITERIA	Weatherford National Bank 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

Weatherford National Bank (WNB) is located in the city of Weatherford, Parker County, Texas. The main office, motor bank, and two branches are located in Weatherford. Another branch is located in Aledo, TX, which is located approximately ten miles southeast of Weatherford. Each location has an ATM facility. As of December 5, 1997, assets totaled approximately \$156 million. WNB wholly owned by First Financial Bankshares, Inc., Abilene, Texas, a nine bank holding company with \$1.3 billion in total assets.

WNB's primary lending focus is on small business loans and home mortgage products. As of December 5, 1997, total loans were \$67 million. The loan portfolio is comprised of commercial (37%), home mortgage (36%), consumer (24%), and agriculture-related (3%). This distribution is consistent with WNB's main business strategy and expertise.

There are no financial impediments which would hamper WNB's ability to help meet the credit needs of its assessment area. WNB's CRA performance was last evaluated as of May 9, 1994. At that time, WNB's overall performance was rated "satisfactory".

DESCRIPTION OF PARKER COUNTY

The Board has designated Parker County as the bank's assessment area. Parker County consists of eight census tracts. This designation meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

According to 1990 census data, two of the census tracts in Parker County are moderate-income areas, five are middle-income areas, and one is an upper-income area. There are no low-income census tracts in the bank's assessment area. The population of the county is 64,785. The updated weighted average median family income is \$50,400. According to this same data, low-income families comprise 22% of all families in the county, while another 20% are moderate-income families, 25% are middle-income families, and 33% are upper-income families.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

WNB's lending performance is satisfactory. The bank makes small business, home mortgage, consumer, and agriculture loans throughout the assessment area to individuals and businesses with differing income levels. Our review of fair lending regulations revealed no evidence of discriminatory practices, and no violations of the substantive provisions of antidiscrimination laws.

Recent interviews conducted with area civic organization leaders were helpful in understanding the context of the bank, the community, and local competitors. These community representatives responded favorably to the bank's presence in the community in providing the assessment area's credit needs.

Loan to Deposit Ratio

Over the past ten quarters dating back to June 30, 1995, the average loan to deposit ratio for WNB is 46%. This is a reasonable level of lending when compared to other area financial institutions whose loan to deposit ratios range from 42% to 72% during the same time frame.

Assessment Area Concentration

A majority of WNB's loans are made within the Parker County assessment area. Our review revealed that 90% of the number of home mortgage loans and 87% of the dollar volume of these loans are within the assessment area. We also reviewed a sample of consumer loans extended since January 1, 1995 and found that 82% of the number and dollar volume of these loans are within the assessment area.

Competition in WNB's assessment area is centered in two local national banks and one local state bank. Additionally, a credit union, branch facilities of two other out-of-area state banks, and a branch of an out-of-area regional bank all compete to meet the credit needs of the community.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

WNB's loan distribution reflects a satisfactory penetration among borrowers of different income levels. Our sample included the entire home mortgage portfolio and a sample of consumer loans extended since January 1, 1995 within the assessment area. This review enabled us to assess the appropriateness of the distribution among different borrower income levels. The following table represents the distribution of the loan originations sampled by income level.

Loan Sample Distribution by Income Group										
	Low Income Families		Moderate Income Families		Middle Income Families		Upper Income Families		Total # of Families	
Dollars in 000's										
Area Demographic Characteristics	21.61%		20.10%		24.83%		33.47%		100.00%	
# of Families	3,959		3,681		4,547		6,130		18,317	
Loan Product		%		%		%		%		%
Home Purchase/Refi	1,087	13%	1,304	15%	1,248	15%	4,788	57%	8,427	100%
Home Improvement	68	5%	96	8%	261	21%	847	66%	1,272	100%
Consumer Sample	91	33%	72	26%	12	4%	101	37%	276	100%
Total	1,246	12%	1,472	15%	1,521	15%	5,736	58%	9,975	100%

The following distribution of commercial lending also reflects an excellent penetration to businesses and farms of different sizes in the assessment area. The table provides detail on the distribution of small business and farm loans by loan size. Also included in the table is the distribution, by gross annual revenues, of all small businesses and farms located within the bank's assessment area. This data substantiates that the majority (92%) of the dollar volume of these loans are to businesses with revenues less than \$1 million which is consistent with the market.

Distribution of Small Business and Farm Loan Originations in 1996 and YTD 1997 Within the Assessment Area By Loan Size				
	#	%	\$ (000)	%
less than \$100,000	145	89%	\$5,029	54%
\$100,000 to \$250,000	15	9%	\$2,558	27%
More than \$250,000	3	2%	\$1,760	19%
Totals	163	100%	\$9,347	100%
Distribution of Businesses and Farms in the Assessment Area by Annual Revenues of the Business or Farm:				
		< 1 Million	92%	
		> 1 Million	8%	
		Unknown	0%	

Geographic Distribution of Loans

The bank is reasonably extending credit throughout the entire assessment area, including the two moderate-income geographies. This determination is based on a geocoding of the home mortgage loan portfolio and a sample of consumer loans.

Distribution of Loans by Income Level of Tract										
	Low-Income 0 Tracts 0%		Mod-Income 2 Tracts 25%		Mid-Income 5 Tracts 63%		Upper-Income 1 Tract 12%		Total 8 Tracts 100%	
	#	%	#	%	#	%	#	%	#	%
Loan Product										
Home Purchase/Refi	0	0%	34	26%	72	56%	23	18%	129	100%
Home Improvement	0	0%	13	27%	29	59%	7	14%	49	100%
Consumer Sample	0	0%	11	30%	26	70%	0	0%	37	100%
Total	0	0%	58	27%	127	59%	30	14%	215	100%

Response to Substantiated Complaints

WNB has received no complaints from the public regarding the bank's CRA performance.