



Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

November 20, 1997

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Central National Bank of Alva
Charter Number 12152**

**608 Flynn Street
Alva, Oklahoma 73717**

**Office of the Comptroller of the Currency
South Kansas Field Office
3450 North Rock Road, Suite 505
Wichita, Kansas 67226-1327**

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 Central National Bank of Alva** prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of November 20, 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**.

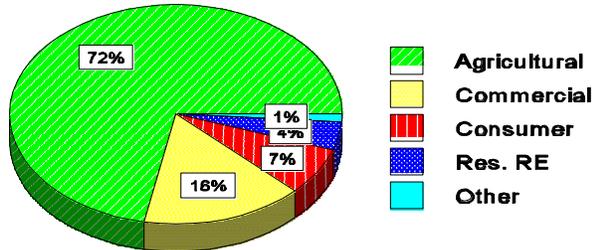
The bank lends to borrowers of different income levels, making a large number of its loans to individual borrowers with below average incomes. The bank also makes loans to a significant number of small farms. The bank's loan-to-deposit ratio is reasonable, with a majority of loans being made within its assessment area.

DESCRIPTION OF INSTITUTION

The Central National Bank of Alva (CNB), a \$96 million financial institution, is one of six banks headquartered in the bank's assessment area.

Loan Portfolio Composition

As of June 30, 1997



CNB is located in Alva, Oklahoma, and has no branches. Alva is a small rural community. Myers Bancshares, Inc. owns 100% of CNB's common stock. CNB is a full service bank and offers a variety of loan products with an emphasis on agricultural loans. As of June 30, 1997, agricultural loans accounted for 72% of the bank's \$41 million loan portfolio.

Commercial loans totaled 16%. Consumer loans represented another 7% of the loan portfolio, with residential real estate loans and other loans totaling 4% and 1%, respectively.

The bank's financial condition, size, local economic conditions, and other factors allow it to help meet the credit needs of its

assessment area. The bank has not opened or closed any branches since the prior CRA examination. At the previous CRA examination dated September 30, 1994, CNB received a satisfactory rating.

DESCRIPTION OF ASSESSMENT AREA

The bank's assessment area includes all of Woods County, Oklahoma. The assessment area includes block numbering areas (BNA's) 9541 through 9545. The assessment area contains three middle- and two upper-income tracts. The assessment area complies with the regulation and does not arbitrarily exclude any low- or moderate-income areas.

The assessment area is located in northwestern Oklahoma, approximately 160 miles northwest of Oklahoma City. Alva has a population of roughly 5,500. The local economy is dominated by agriculture. The primary agricultural products are wheat and cattle. Area economic conditions are good. Area banks provide strong competition.

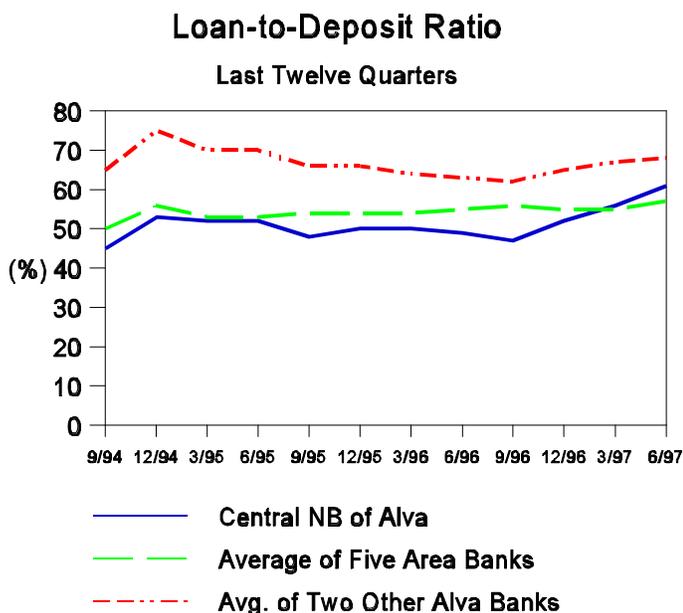
Examiners made community contacts with two local community groups. The contacts revealed no unmet credit needs or discriminatory practices within the assessment area.

Of all households in the assessment area, 27% are low-income, 13% are moderate-income, 16% are middle-income, and 43% are upper-income. The Oklahoma 1997 statewide nonmetropolitan median family incomes is \$30,800.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA :

Loan-to-Deposit Ratio

The bank's level of lending is reasonable compared to the other banks in the assessment area. For the last 12 quarters ending June 30, 1997, the bank's average loan-to-deposit ratio is 51%. This compares to the average loan-to-deposit ratio of 67% for the other two banks headquartered in Alva and 54% for all other five banks headquartered within the assessment area. Of the six area banks, CNB has the fourth highest average loan-to-deposit ratio. CNB's loan-to-deposit ratio has steadily increased over the last year, and is currently the third highest loan-to-deposit ratio in the assessment area. The other five bank's have average loan-to-deposit ratios ranging from 79% to 23%.



Lending in Assessment Area

CNB extends a majority of its loans within the assessment area. Based on a sample of 28 residential real estate loans made in 1996 and 1997, the bank made 82% of the number and 73% of the dollar volume of loans within the assessment area. Examiners also sampled 27 agricultural borrowers. The bank made over 81% of the number and nearly 87% of the dollar volume of agricultural loans in the assessment area.

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

The bank makes loans to borrowers of different income levels and businesses of different sizes. Examiners focused on residential real estate and agricultural loans. Examiners reviewed a sample of 28 residential real estate loans made in 1996 and 1997 to determine the income levels of the bank's individual borrowers. Examiners also reviewed a sample of 27 agricultural loans. Based on these samples, the bank lends to borrowers of various income levels and does not arbitrarily

exclude any group of applicants.

The bank made over 57% of the residential real estate loans sampled to borrowers with incomes below the Oklahoma state median family income, \$30,800. This includes almost 29% of these loans made to borrowers with annual income less than \$20,000. Below is a breakdown of the bank's residential real estate loans by income level.

Annual Income	# of Loans	Percent
Under \$20,000	8	28.6%
From \$20,001 to \$31,000	8	28.6%
From \$31,001 to \$50,000	3	10.7%
From \$50,001 to \$70,000	6	21.4%
Over \$70,000	3	10.7%
TOTAL	28	100.0%

The bank also lends to farms of various sizes, with a significant number of loans made to small farms. Management estimated the average farm in the area has gross annual revenues of \$240,000. The bank made approximately 89% of the agricultural loans sampled to farms with below average revenues. This includes nearly 52% of the loans to farms with gross annual revenues less than \$100,000. Below is a breakdown of the bank's agricultural loans by gross annual revenues.

Gross Revenues	# of Loans	Percent
Under \$50,000	7	25.9%
From \$50,001 to \$75,000	7	25.9%
From \$75,001 to \$100,000	1	3.7%
From \$100,001 to \$200,000	7	25.9%
From \$200,001 to \$240,000	2	7.4%
From \$240,001 to \$300,000	2	7.4%
Over \$300,001	1	3.7%
TOTAL	27	100.0%

Geographic Distribution of Loans

An analysis of the bank's geographic distribution of loans would not be meaningful. The assessment area contains no low- or moderate-income BNA's.

Response to Complaints

The bank has not received any CRA-related complaints since the previous CRA examination.

Compliance with Anti-Discrimination Laws and Regulations

Based on our review, the bank is in compliance with all provisions of antidiscrimination laws and regulations. Examiners found no evidence of disparate treatment.