



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

November 05, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Shamrock Bank, National Association
Charter Number: 12529

101 N. Main
Coalgate, OK 74538

Office of the Comptroller of the Currency

Tulsa (eastern Oklahoma)
7134 South Yale Executive Ctr. Bldg., Suite 910
Tulsa, OK 74136

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.

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 CRA performance of Shamrock Bank, N.A., Coalgate, Oklahoma, prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of November 5, 2007. The agency rates the CRA performance of an institution consistent with the provisions set forth in appendix A to 12 CFR Part 25. The previous CRA performance Evaluation of this bank dated November 4, 2002 resulted in a Satisfactory rating.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

Shamrock Bank, N.A. (SBNA) is responsive to the credit needs of its community, including low- and moderate-income areas. The following factors support this conclusion:

- The bank's loan-to-deposit ratio is good considering its asset size, financial condition, and the credit needs of its assessment areas.
- A substantial majority of SBNA's loans are originated within the bank's two assessment area.
- Credit activity is reasonably distributed to borrowers of different income levels and businesses of different sizes.
- Credit activity is reasonably distributed amongst the various income level census tracts, including moderate-income census tracts.

SCOPE OF EXAMINATION

The scope of the CRA examination was to assess to bank's performance under this act. The time period covers January 1, 2005 to November 5, 2007. Full scope reviews were performed for the bank's two assessment areas.

DESCRIPTION OF INSTITUTION

SBNA is a \$201 million rural community bank headquartered in Coalgate, Oklahoma. The bank operates from seven branches in eight counties throughout Oklahoma. The bank’s lending strategy focuses on one-to-four family real estate loans, consumer loans, small business and small agricultural loans to meet the needs of the community. The table below shows the composition of the bank’s loan portfolio, which represents approximately 55% of total assets as of June 30, 2007.

Loan Category	\$ (000)	%
Loans Secured by Real Estate:		
Residential Real Estate	\$28,930	26.00%
Commercial Real Estate	\$17,617	15.83%
Farmland	\$10,027	9.01%
Construction & Land Development	\$ 7,865	7.07%
Subtotal Secured by Real Estate:	\$64,439	57.91%
Agricultural Production	\$ 14,663	13.18%
Commercial & Industrial	\$13,610	12.23%
Consumer	17,841	16.04%
Other	706	0.63%
Total	\$111,259	100.00%

Source: Consolidated Report of Condition for June 30, 2007.

Bank lobby hours are provided Monday through Friday with five drive-in facilities open on Saturday. Based on its financial condition, the local economy, product offerings, competition, and prior performance, SBNA has the ability to meet the various credit needs of its constituents. The previous performance evaluation dated November 4, 2002 indicates the bank’s CRA rating was “Satisfactory.” No legal impediments or other factors hinder the bank’s ability to extend credit in its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

SBNA’s assessment areas meet the requirements of the regulation and do not arbitrarily exclude low-or-moderate income geographies. SBNA has designated two assessment areas covering eight counties in Oklahoma. Each AA consists of whole geographies. Neither reflects illegal discrimination nor do they arbitrarily exclude low-or moderate-income geographies. Each AA meets the requirements of the CRA regulation.

Eastern Oklahoma Assessment Area

The Eastern Oklahoma assessment area (AA) consists of nineteen census tracts comprising all of Atoka, Bryan, Coal, and Pushmataha counties. According to the 2000 census data, the population for this area was 68,111 and the updated median family income was \$42,600. Branch locations are situated in Coalgate, Caddo, Clayton, and Durant, Oklahoma. The assessment area has six moderate, twelve middle, and one upper-income census tracts. The population mix is as follows: White 78%, American Indian 13%, Black 2%, Hispanic 2%, other 5%. According to

housing data, there are 30,927 housing units in this area. Owner-occupied units comprise 62% of the housing stock. The median housing value was \$49,797. The following table describes the demographic and economic characteristics of this assessment area.

DEMOGRAPHIC & ECONOMIC CHARACTERISTICS OF AA: Eastern Oklahoma	
Population	
Number of Families	18,461
Number of Households	26,511
Geographies	
Number of Census Tracts/BNA	19
% Low-Income Census Tracts/BNA	0.00%
% Moderate-Income Census Tracts/BNA	31.58%
% Middle-Income Census Tracts/BNA	63.16%
% Upper-Income Census Tracts/BNA	5.26%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$35,517
2006 HUD-Adjusted MFI	\$42,600
Economic Indicators	
Unemployment Rate	2.78%
1990 Median Housing Value	\$49,797
% Of Households Below Poverty Level	21.54%

Source: Based on 2000 U.S. Census Data

Western Oklahoma Assessment Area

The Western Oklahoma AA consists of twenty-three census tracts comprising all of Caddo, Jackson, Kiowa, and Washita counties. According to the 2000 census data, the population for this area was 80,324 and the updated median family income was \$42,600. Branch locations are situated in Mountain View, Altus, and Apache, Oklahoma. The assessment area has three moderate, eighteen middle, and two upper-income census tracts. The population mix is as follows: White 73%, American Indian 10%, Black 5%, Hispanic 9%, other 3%. According to housing data, there are 36,229 housing units in this area. Owner-occupied units comprise 58% of the housing stock. The median housing value was \$48,907. The following table describes the demographic and economic characteristics of this AA.

DEMOGRAPHIC & ECONOMIC CHARACTERISTICS OF AA: Western Oklahoma	
Population	
Number of Families	21,802
Number of Households	30,309
Geographies	
Number of Census Tracts/BNA	23
% Low-Income Census Tracts/BNA	0.00%
% Moderate-Income Census Tracts/BNA	13.04%
% Middle-Income Census Tracts/BNA	78.26%
% Upper-Income Census Tracts/BNA	8.70%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	\$35,517
2006 HUD-Adjusted MFI	\$42,600
Economic Indicators	
Unemployment Rate	2.58%
1990 Median Housing Value	\$48,907
% Of Households Below Poverty Level	17.85%

Source: Based on 2000 U.S. Census Data

We conducted two community leaders to gain a better understanding of the needs of the citizens residing within the AA. They stated that SBNA is active in the community and responsive to the credit needs of the constituents in its AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio (LTD)

The bank has a *satisfactory* LTD ratio given its asset size, financial condition, and the credit needs of its AAs. SBNA's LTD ratio is below peer banks of similar size. The bank's LTD ratio averaged 63.62% over the evaluation period compared to the national peer group average LTD ratio of 78.65% over the same time period.

Lending in Assessment Area

SBNA has an *outstanding* record of lending within its AAs. Our analysis indicated that during the review period, 81% of the number or 71% of the dollar amount of loans sampled were originated in the bank’s AA.

Combined Inside/Outside Ratio AA: TOTAL LOANS REVIEWED (January 1, 2003 to November 5, 2007)								
LOAN TYPE	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer	1,781	76.47	17,776	70.99	548	23.53	7,264	29.01
1-4 Family Residential RE	345	82.14	16,017	81.74	75	17.86	3,578	18.26
Small Business	1,263	82.50	30,084	56.02	268	17.50	23,620	43.98
Small Farms	1,415	84.93	61,597	78.93	251	15.07	16,443	21.07
Total Reviewed	4,804	80.79	125,474	71.14	1,142	19.21	50,905	28.86

Source: Bank Generated Data from January 1, 2003 to November 5, 2007

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

Recent lending patterns indicate an *outstanding* distribution of loans amongst borrowers of different income levels and businesses of different sizes. We based our review on a sample of twenty 1-4 family residential real estate, consumer automobile, small business, and small farm loans within both AAs.

Eastern Oklahoma AA: RESIDENTIAL REAL ESTATE (January 1, 2003 to November 5, 2007)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% Of AA Families ¹	24.67		19.42		22.36		33.55	
LOANS BY PRODUCT	% Of Number	% Of Amount						
Residential Real Estate	40.00	29.25	20.00	14.28	20.00	14.74	20.00	41.72

Source: Loan sample and U.S. Census data.

Western Oklahoma AA: RESIDENTIAL REAL ESTATE (January 1, 2003 to November 5, 2007)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% Of AA Families ¹	21.09		18.77		21.15		38.98	
LOANS BY PRODUCT	% Of Number	% Of Amount						
Residential Real Estate	45.00	44.60	15.00	12.53	20.00	18.04	20.00	24.83

Source: Loan sample and U.S. Census data.

As captioned above, the loan sample revealed that the bank is doing an *excellent* job extending credit

to low- and moderate-income families for 1-4 family residential real estate purposes.

Eastern Oklahoma AA: CONSUMER (January 1, 2003 to November 5, 2007)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% Of AA Households ²	28.44		16.37		18.78		36.41	
LOANS BY PRODUCT	% Of Number	% Of Amount						
Automobile Purchases	30.00	21.85	45.00	46.16	5.00	3.63	20.00	28.36

Source: Loan sample and U.S. Census data.

Western Oklahoma AA: CONSUMER (January 1, 2003 to November 5, 2007)								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% Of AA Households ²	23.53		15.94		18.74		41.79	
LOANS BY PRODUCT	% Of Number	% Of Amount						
Automobile Purchases	25.00	20.96	20.00	16.36	40.00	31.96	15.00	30.72

Source: Loan sample and U.S. Census data.

As captioned above in the consumer tables, the loan sample revealed that the bank is doing an *excellent* job extending credit to low- and moderate-income households for purchase money automobile loans. The sample of loans reviewed indicates that the bank either met or exceeded the standard in originations to low- and moderate-income households in both assessment areas for consumer automobile loans.

Eastern Oklahoma AA: BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES (January 1, 2003 to November 5, 2007)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% Of AA Businesses ³	93.55	6.45
% Of Bank Loans in AA #	85.00	15.00
% Of Bank Loans in AA \$	53.25	46.75

Source: Loan sample and U.S. Census data.

Western Oklahoma AA: BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES (January 1, 2003 to November 5, 2007)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% Of AA Businesses ³	94.24	5.76
% Of Bank Loans in AA #	95.00	5.00
% Of Bank Loans in AA \$	97.66	2.34

Source: Loan sample and U.S. Census data.

As captioned above in the small loans to businesses tables, the loan sample revealed that the bank is doing a *satisfactory* job extending credit to small businesses with revenues of less than one million dollars. The sample of loans reviewed indicates originations to small businesses were slightly below the percentage of small businesses in the Eastern Oklahoma AA and slightly above the percentage of

small businesses in the Western Oklahoma AA.

Eastern Oklahoma AA: BORROWER DISTRIBUTION OF SMALL LOANS TO FARMS (January 1, 2003 to November 5, 2007)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% Of AA Businesses ³	97.08	2.92
% Of Bank Loans in AA #	100.00	0.00
% Of Bank Loans in AA \$	100.00	0.00

Source: Loan sample and U.S. Census data.

Western Oklahoma AA: BORROWER DISTRIBUTION OF SMALL LOANS TO FARMS (January 1, 2003 to November 5, 2007)		
Business Revenues	≤\$1,000,000	>\$1,000,000
% Of AA Businesses ³	96.23	3.77
% Of Bank Loans in AA #	100.00	0.00
% Of Bank Loans in AA \$	100.00	0.00

Source: Loan sample and U.S. Census data.

As captioned above in the small loans to farms tables, the loan sample revealed that the bank is doing an *excellent* job extending credit to small farms with revenue of less than one million dollars. The sample of loans reviewed indicates originations to small farms exceeded the percentage of small farms in both the Eastern & Western Oklahoma AAs.

Geographic Distribution of Loans

Recent lending patterns indicate a *satisfactory* distribution of loans amongst the various income geographies of the bank’s two AAs. There were no low-income census tracts in either AA. Moderate-income census tracts comprise 32% of the Eastern Oklahoma AA and 13% of the Western Oklahoma AA. The following tables reflect the distribution of 1-4 family residential real estate, consumer automobile, small business, and small farm loans within both AA.

Table 3A - Geographic Distribution of Residential Real Estate Loans in [Eastern 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
1-4 Family RE	0.00	0.00	34.32	36.84	57.23	57.89	8.45	5.26

Source: Loan and U.S. 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
1-4 Family RE	0.00	0.00	14.48	5.00	75.16	65.00	10.35	30.00

Source: Loan sample and U.S. Census data.

As captioned above in Table 3A, 34% of the owner-occupied housing stock in the Eastern Oklahoma AA is situated in moderate-income census tracts and 37% of the loans in our sample were originated in the moderate-income census tracts.

As captioned above in Table 3B, 14% of the owner-occupied housing stock in the Western Oklahoma AA is situated in moderate-income census tract while just 5% of the loans in our sample were originated in the moderate-income census tracts. The below average penetration results from the number of banks operating within the Western Oklahoma AA. There are eight financial institutions operating in Caddo County and nine financial institutions operating in Jackson County. The moderate-income census tracts are situated in either Anadarko or Altus, Oklahoma. The bank’s branch is located in an upper-income tract in Altus and the bank does not have a branch in Anadarko. During the review period, subject bank generated just forty-two 1-4 family residential real estate loans in the Western Oklahoma AA.

Table 3C - Geographic Distribution of Consumer Loans in [Eastern Oklahoma AA]								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Automobile Loans	0.00	0.00	35.09	57.89	56.66	31.58	8.25	10.53

Source: Loan sample and U.S. Census data.

Table 3D – Geographic Distribution of Consumer Loans in [Western Oklahoma AA]								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Automobile Loans	0.00	0.00	17.61	0.00	69.75	95.00	12.64	5.00

Source: Loan sample and U.S. Census data.

As captioned on the previous page in Table 3C, 35% of the households in the Eastern Oklahoma AA are situated in moderate-income census tracts and 58% of the loans in our sample were originated to households in the moderate-income census tracts.

As captioned above in Table 3D, 18% of the households in the Western Oklahoma AA are situated in moderate-income census tracts. No loans in our sample were originated to households in the moderate-income census tracts. The below average penetration results from the number of banks operating within the Western Oklahoma AA. There are eight financial institutions operating in Caddo County and nine financial institutions operating in Jackson County. The moderate-income census tracts are situated in either Anadarko or Altus, Oklahoma. The bank’s branch is located in an upper-income tract in Altus and the bank does not have a branch in Anadarko.

Table 3E - Geographic Distribution of Loans to Small Businesses in [Eastern Oklahoma AA]								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Small Business	0.00	0.00	43.60	55.00	46.96	40.00	9.44	5.00

Source: Loan sample and U.S. Census data.

Table 3F - Geographic Distribution of Loans to Small Businesses in [Western Oklahoma AA]								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Small Business	0.00	0.00	16.66	0.00	73.43	68.42	9.91	31.58

Source: Loan sample and U.S. Census data.

As captioned on the previous page in Table 3E, 43% of the small businesses in the Eastern Oklahoma AA are situated in moderate-income census tracts and 55% of the loans in our sample were originated to small businesses in the moderate-income census tracts.

As captioned above in Table 3F, 17% of the small businesses in the Western Oklahoma AA are situated in moderate-income census tracts. No loans in our sample were originated to small businesses in the moderate-income census tracts. The below average penetrations results from the number of banks operating within the Western Oklahoma AA. There are eight financial institutions operating in Caddo County and nine financial institutions operating in Jackson County. The moderate-income census tracts are situated in either Anadarko or Altus, Oklahoma. The bank’s branch is located in an upper-income tract in Altus and the bank does not have a branch in Anadarko.

Table 3G - Geographic Distribution of Loans to Small Farms in [Eastern Oklahoma AA]								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Small Farms	0.00	0.00	35.22	42.11	60.73	57.89	4.05	0.00

Source: Loan sample and U.S. Census data.

Table 3H - Geographic Distribution of Loans to Small Farms in [Western Oklahoma AA]								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses/ Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans	% of AA Businesses /Farms	% of Number of Loans
Small Farms	0.00	0.00	8.26	15.00	83.96	60.00	7.79	25.00

Source: Loan sample and U.S. Census data.

As captioned above in Table 3G, 35% of the small farms in the Eastern Oklahoma AA are situated in moderate-income census tracts and 42% of the loans in our sample were originated to small farms in the moderate-income census tracts.

As captioned above in Table 3H, 8% of the small farms in the Western Oklahoma AA are situated in moderate-income census tracts and 15% of the small farm loans in our sample were originated to small businesses in the moderate-income census tracts.

Responses to Complaints

SBNA has not received any complaints relevant to CRA, during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

A fair lending review was performed as of April 12, 2000 to determine if lending decisions are consistent among similarly qualified applicants, regardless of any prohibited basis listed in 12 CFR 202.2(z) - *Equal Credit Opportunity Act (ECOA)*. We found no evidence of discriminatory lending acts or practices. The bank is in compliance with the substantive provisions of the ECOA.