



PUBLIC DISCLOSURE

April 9, 2014

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank and Trust Company
Charter Number 18430

130 East Macarthur
Shawnee, OK 74804

Office of the Comptroller of the Currency
Oklahoma City Field Office
The Harvey Parkway Building
301 NW 63rd Street, Suite 490
Oklahoma City, OK 73116-7908

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.

INSTITUTION'S CRA RATING: This institution is rated Outstanding

Strong performance with regard to community development lending, investments, and services had a positive impact and resulted in an overall CRA rating of outstanding.

The major factors that support this rating include the following:

- A majority of the bank's loans were originated within the bank's assessment areas.
- The bank's distribution of loans indicates reasonable penetration to borrowers of different income levels and businesses of different sizes.
- The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas.
- The bank's average loan-to-deposit ratio is reasonable and commensurate with other institutions doing business within the assessment areas.
- There have been no complaints with respect to the bank's Community Reinvestment Act performance.
- Community development performance demonstrates excellent responsiveness to the community development needs of its assessment areas. The bank had a high level of community development loans and services and a reasonable level of investments during the evaluation period.

SCOPE OF EXAMINATION

This Community Reinvestment Act (CRA) 2014 Performance Evaluation of First National Bank & Trust Company (FNB&T) is based on comparison of the bank's lending activity during the evaluation period to 2010 US Census demographic information and certain information updated to 2013. The bank's assessment areas (AA) for this evaluation were grouped into the FNB&T non-MSA areas, including the counties of Pottawatomie, Seminole, Hughes, Greer, Jackson, and Kiowa; and the FNB&T MSA area, which is comprised of the Lawton MSA/Comanche County.

The bank's primary lending products, commercial/business loans and residential real estate loans, were reviewed for the years 2012 and 2013. A sample of commercial loans and one hundred percent of the residential real estate loans recorded in the bank's Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs) in 2012 and 2013 were included in the evaluation. Management requested that their community development activities be reviewed. Community development lending, investments, and services were reviewed from March 3, 2008, the date of the last CRA evaluation, through the start of the current evaluation on April 9, 2014.

DESCRIPTION OF INSTITUTION

FNB&T is a \$242 million institution headquartered in Shawnee, Oklahoma. The main bank and one branch are located in Shawnee, Oklahoma. There are also two branches in Lawton, and branches in the towns of Holdenville, Mangum, and Granite, Oklahoma. Drive-in facilities are available at the main bank and all branch locations. Automated Teller Machines (ATMs) are located at all banking locations, in two additional Shawnee locations, and in the towns of McLoud and Tecumseh, Oklahoma.

There have been no branch openings or closings since the last CRA performance evaluation. The tables below provide complete information on FNB&T's branch and ATM locations.

<i>FNB&T's Branch Locations</i>		
Location	Address	City
Shawnee Main Office	130 E. MacArthur St.	Shawnee, OK
Firelake Branch	1545 S. Gordon Cooper Dr.	Shawnee, OK
Lawton – Quanah Parker Branch	6702 Quanah Parker Trailway	Lawton, OK
Lawton-Sheridan Road Branch	702 NW Sheridan Rd.	Lawton, OK
Holdenville Branch	821 E. Highway	Holdenville, OK
Mangum Branch	204 N. Oklahoma Ave.	Mangum, OK
Granite Branch	104 E. First St.	Granite, OK

<i>FNB&T's ATM Locations</i>		
Location	Address	City
Shawnee Main Office	130 E. MacArthur St.	Shawnee, OK
Firelake Branch	1545 S. Gordon Cooper Dr.	Shawnee, OK
Firelake Discount Grocery	1570 S. Gordon Cooper Dr.	Shawnee, OK
Firelake Casino (4)	41207 Hardesty Rd.	Shawnee, OK
Firelake Bowling Center	40945 Hardesty Rd.	Shawnee, OK
Potawatomi Tribal Plaza	409 S. Highway Dr.	McLoud, OK
Firelake Express Grocery	214 E. Walnut	Tecumseh, OK
Holdenville Branch	821 E. Highway	Holdenville, OK
Lawton – Quanah Parker Branch	6702 Quanah Parker Trailway	Lawton, OK
Lawton-Sheridan Road Branch	702 NW Sheridan Rd.	Lawton, OK
Mangum Branch	204 N. Oklahoma Ave.	Mangum, OK
Granite Branch	104 E. First St.	Granite, OK

FNB&T is 99.7 percent owned by the Citizen Potawatomi Nation, a Native American Tribe of Oklahoma. The bank's primary focus is to serve its AAs customers by providing commercial, real estate, and consumer loans. FNB&T offers a wide variety of loan and deposit products, as well as 24-hour Internet and telephone banking services. Banking hours are convenient and consistent at all locations.

As of December 31, 2013, FNB&T's total assets were \$242 million, of which \$89.6 million, or 37 percent, were comprised of various types of loans. Specifically, the bank's loan portfolio consists of the following:

Loan Portfolio Composition as of December 31, 2013		
	\$ (000)	%
Commercial/Business Loans	\$64,109	71.54%
Residential Real Estate Loans	\$18,282	20.40%
Agricultural Loans	\$ 3,862	4.31%
Consumer Loans	\$ 3,285	3.67%
Other Loans	\$ 73	0.08%
Total	\$89,611	100.00%

Source: December 31, 2013 Report of Condition and Income.

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs in its AAs. An "Outstanding" rating was assigned to FNB&T at the last CRA performance evaluation performed as of March 3, 2008.

DESCRIPTION OF ASSESSMENT AREAS

For its CRA performance evaluation, FNB&T has designated two Oklahoma AAs. One AA includes non-MSA areas in eastern and southwest Oklahoma. The eastern Oklahoma non-MSA AA includes all of Pottawatomie County, where the main bank in Shawnee is located (16 census tracts), Seminole County (10 census tracts), and Hughes County (5 census tracts). In southwest Oklahoma, non-MSA AA includes Greer County (2 census tracts), Jackson County (8 census tracts) and Kiowa County (3 census tracts). The MSA AA, located in south-central Oklahoma, includes the Lawton MSA, which is comprised of Comanche County (32 census tracts).

FNB&T Non-MSA Assessment Area

According to the 2010 US Census data, FNB&T's non-MSA AA has a population of 151,058. The median family income for the non-MSA AA is \$44,025 and FFIEC's 2013 updated non-MSA median family income is \$45,870. Households below the poverty level total 10,473, or 19 percent, and households that receive public assistance total 2,302, or 4 percent, of the total number of households. Of the 55,772 total housing units available in the non-MSA AA, 39,519, or 59 percent are owner occupied. Refer to the following table for additional information relating to the bank's non-MSA AA:

Demographic and Economic Characteristics of Oklahoma Non-MSA Assessment Area	
<i>Population</i>	
Number of Families	38,820
Number of Households	55,772
<i>Geographies</i>	
Number of Census Tracts	44
% Low-Income Census Tracts	2.33%
% Moderate-Income Census Tracts	13.95%
% Middle-Income Census Tracts	72.09%
% Upper-Income Census Tracts	11.63%
<i>Median Family Income (MFI)</i>	
2010 MFI for AA	44,025
2013 FFIEC Adjusted MFI	45,870
<i>Economic Indicators</i>	
2010 Median Housing Value	77,779
% of Households Below Poverty Level	18.78%

Source: 2010 Census data and 2013 FFIEC updated income data.

Major employers in FNB&T's non-MSA AA include Citizen Potawatomie Nation, Unity Health Center, Exxon-Mobil Film Division, Wolverine Tube, and Shawnee Public Schools. Unemployment rates in the non-MSA AA are currently stable.

Lawton MSA Assessment Area

According to the 2010 US Census data, the Lawton MSA (Comanche County) has a population of 124,098. The median family income for the MSA is \$50,448 and the FFIEC's 2013 updated MSA median family income is \$54,800. Households below the poverty level total 7,012, or 16 percent, and households that receive public assistance total 1,576, or 4 percent, of the total number of households. Of the 43,757 total housing units available in this MSA AA, 25,720, or 52 percent, are owner occupied. Refer to the following table for additional information relating to the bank's Lawton MSA AA:

Demographic and Economic Characteristics of Lawton MSA Assessment Area	
<i>Population</i>	
Number of Families	30,269
Number of Households	43,757
<i>Geographies</i>	
Number of Census Tracts	32
% Low-Income Census Tracts	9.38%
% Moderate-Income Census Tracts	28.13%
% Middle-Income Census Tracts	37.50%
% Upper-Income Census Tracts	21.88%
% Not assigned income classification	3.13%
<i>Median Family Income (MFI)</i>	
2010 MFI for AA	50,448
2013 FFIEC Adjusted MFI	54,800
<i>Economic Indicators</i>	
2010 Median Housing Value	102,200
% of Households Below Poverty Level	16.02%

Source: 2010 Census data and 2013 FFIEC updated income data.

The major employers in the Lawton MSA AA include Fort Sill Army Post, Goodyear Tire and Rubber Company, Lawton Public Schools and Comanche County Hospital. Unemployment rates in the Lawton MSA AA are currently stable. Banking is very competitive in both the Lawton/Southwest Oklahoma and Shawnee/Eastern Oklahoma AAs.

Three community contacts were conducted for this performance evaluation to discuss community needs and the activities of financial institutions in the bank's AAs, including the Lawton MSA AA, Non-MSA AA counties in southwest Oklahoma, and the Non-MSA AA surrounding the Shawnee, Oklahoma main bank location. One contact, when discussing the Lawton MSA and counties in southwest Oklahoma indicated there is a need for affordable housing, including infill rental, owner occupied units, and a need for programs to assist senior homeowners repair and secure their homes. The contact also felt there is a need for programs to address the unbanked population, especially those needing bank accounts to receive payroll and other electronic payments.

Another contact in this area felt that there is a need for consumer credit with lower rates, and residential lending with lower down-payment requirements, especially for consumers who have completed financial education programs. The contacts felt like the financial institutions in Lawton and southwest Oklahoma are serving their communities, especially through numerous financial education programs, but felt “there is always more that can be done”.

A third contact indicated that the financial institutions in the Shawnee area are perceived as taking an active role in the community and strive to meet the financial needs of the area. She stated that the local economy was stable. However, over the past year small businesses have seen a slight decline. She also noted that the largest need for the community at this time is small business loans, which she felt the Shawnee area banks are doing a good job of funding.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Lending Test

This CRA Performance Evaluation assesses the bank’s performance, focusing primarily on five performance criteria: the loan-to-deposit ratio; lending in the AAs; lending to borrowers of different incomes and to businesses and farms of different sizes; geographic distribution of loans; and responses to complaints.

To evaluate FNB&T’s lending performance, the major loan products offered by the bank were evaluated. A random sample of 60 commercial/business loans and all 158 of the residential real estate loans that originated from January 1, 2012 through December 31, 2013 were selected. Consistent with available resources and capabilities, the bank is meeting the credit needs of the AAs in a satisfactory manner.

Loan-to-Deposit Ratio

FNB&T’s loan-to-deposit (LTD) ratio is reasonable and meets the standard for satisfactory performance. The bank’s LTD ratio at December 31, 2013 was 41 percent. However, FNB&T’s average quarterly LTD ratio from March 31, 2008 to December 31, 2013 was 49 percent. This average was compared to the average LTD ratios of three similar banks located in or adjacent to the bank’s AAs with total assets between \$200 and \$350 million for the same period. These average LTD ratios are listed in the following table:

Loan-to-Deposit Ratios		
Institution	Total Assets as of 12/31/2013 (000s)	Average LTD Ratio
City National Bank and Trust of Lawton, OK	\$321,888	69%
Liberty National Bank, Lawton, OK	\$239,455	67%
First National Bank and Trust, Shawnee, OK	\$241,616	49%
First National Bank in Altus, OK	\$297,646	43%

Source: Institution Reports of Condition from March 31, 2008 to December 31, 2013.

FNB&T's average LTD ratio is less than the average ratio of the three comparable banks, 60 percent; however, there are some contributing factors to the lower than peer LTD ratio. The bank's LTD ratio does not take into account the home mortgage loans that they originate and sell to the secondary market investors. From January 1, 2012 to December 31, 2013, the bank originated and sold 67 home mortgage loans totaling \$8.5 million. More importantly, after adjusting the ratio for the impact of the deposits of the bank's two largest customers, FNB&T's adjusted LTD ratio was 80%.

Lending in Assessment Areas

A majority of FNB&T's lending is inside its AAs and meets the standard for satisfactory performance. This conclusion is based on the sample of 60 business loans and all of the bank's residential real estate loans originated between January 1, 2012 and December 31, 2013. Seventy-seven percent of the number and 74 percent of the dollar amount of loans originated were in the bank's AAs, as shown in the following table:

Lending in AAs										
Loan Type	Number of Loans					Dollars of Loans (x000)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Residential Loans	117	74.05	41	25.95	158	\$11,206	69.82	\$4,844	25.95	\$16,050
Business Loans	50	83.33	10	16.67	60	\$ 8,054	79.47	\$2,081	20.53	\$10,135
Totals	167	76.61	51	23.39	218	\$19,260	73.55	\$6,925	26.45	\$26,185

Source: HMDA LARs 2012 & 2013 and Business Loan sampling 2012 & 2013.

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

The overall borrower distribution of loans in the bank's AAs meets the standard for satisfactory performance and reflects reasonable penetration to borrowers of different incomes and businesses of different sizes. Borrower distribution of residential real estate and business loans in the non-MSA AA was reasonable. Borrower distribution of business loans in the Lawton MSA AA was excellent, while the borrower distribution of

residential real estate loans was reasonable. More weight was given to the bank’s non-MSA AA when evaluating performance since this AA grouping represents a majority of the bank’s residential real estate lending.

FNB&T Non-MSA Assessment Area

The borrower distribution of loans in FNB&T’s Non-MSA AA meets the standard for satisfactory performance. The bank has reasonable penetration among businesses of different sizes and borrowers of different income levels in residential real estate products.

Residential Real Estate Loans

The distribution of residential real estate loans to borrowers reflects reasonable penetration among borrowers of different income levels. HMDA residential real estate lending to low-income borrowers in the non-MSA AA was significantly lower than the level of low-income families in the non-MSA AA. However, the borrower distribution of home mortgage loans made to moderate-income borrowers was near the percentage of moderate-income families. According to the 2010 US Census data, approximately 56 percent of households in the non-MSA AA are on fixed income (social security or retirement) and 24 percent of the housing units in the non-MSA AA are rental property. In addition, almost 19 percent of the households are living below the poverty level. It is typically more difficult for these people to qualify for residential real estate loans. Consideration to these mitigants was factored into the overall rating.

The bank meets the affordable housing needs in the area through other unconventional mortgage products, such as the HUD 184 *Indian Home Loan Guarantee Program* and the *Rural Development Housing & Community Facilities Program*. Refer to the *Community Development* section of this Report for details on these affordable housing loan programs.

Borrower Distribution of Residential Real Estate Loans in Non-MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	22.42	13.16	17.16	10.53	20.66	23.68	39.76	52.63
Home Improvement	22.42	0.00	17.16	20.00	20.66	30.00	39.76	50.00
Refinancing	22.42	5.56	17.16	13.89	20.66	16.67	39.76	63.89
Total HMDA	22.42	8.16	17.16	13.25	20.66	21.53	39.76	57.07

Source: HMDA LARs 2012 & 2013; 2010 US Census data. Loan income data was unavailable for 7.1 percent of home purchase, 15.4 percent of home improvement, and 10.4 percent of refinance loans.

Business Loans

The bank's distribution of business loans reflects reasonable penetration among businesses of different sizes in the non-MSA AA. The number of loans to small businesses was lower than the ratio of AA businesses with gross annual revenues of \$1 million or less. However, by dollar amount, 72 percent of the bank's business loans in our sample were made to businesses with gross annual revenues of \$1 million or less. Note that 26 percent of the businesses in the AA did not report income data, which softens the demographic comparison.

Borrower Distribution of Loans to Businesses (Non-Farm) in Non-MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	70.39%	3.44%	26.16%	100%
% of Bank Loans in AA by #	50.00%	50.00%	0.00%	100%
% of Bank Loans in AA by \$	71.94%	28.06%	0.00%	100%

Source: Business Loan sampling 2012 & 2013; Dunn and Bradstreet data.

Lawton MSA Assessment Area

The borrower distribution of loans in the Lawton MSA AA meets the standard for satisfactory performance. The bank has excellent penetration among businesses of different sizes and reasonable penetration among borrowers of different income levels in residential real estate products.

Residential Real Estate Loans

The distribution of residential real estate loans to borrowers reflects reasonable penetration among borrowers of different income levels. HMDA residential real estate lending to low-income borrowers in the MSA AA was significantly lower than the level of low-income families in the MSA AA. However, the borrower distribution of home mortgage loans made to moderate-income borrowers was near the percentage of moderate-income families. According to the 2010 US Census data, approximately 48 percent of households in the MSA AA are on fixed income (social security or retirement) and 40 percent of the housing units in the MSA AA are rental property. In addition, 16 percent of the households are living below the poverty level. It is typically more difficult for these people to qualify for residential real estate loans. Consideration to these mitigants was factored into the overall rating.

Borrower Distribution of Residential Real Estate Loans in Lawton MSA AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	22.03	7.14	17.62	14.29	21.04	14.29	39.30	64.29
Home Improvement	22.03	0.00	17.62	100.00	21.04	0.00	39.30	0.00
Refinancing	22.03	14.29	17.62	0.00	21.04	14.29	39.30	71.43
Total HMDA	22.03	9.43	17.62	12.25	21.04	13.79	39.30	64.54

Source: HMDA LARs 2012 & 2013; 2010 US Census data. Loan income data was unavailable for 7.1 percent of home purchase, 15.4 percent of home improvement, and 10.4 percent of refinance loans.

Business Loans

The distribution of business loans reflects excellent penetration among businesses of different sizes. By number, eighty-eight percent of the sampled business loans were to businesses with gross annual revenues of \$1 million or less. Note that almost 26 percent of the businesses in the MSA AA did not report income data.

Borrower Distribution of Loans to Businesses (Non-Farm) in Lawton MSA AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	70.17%	3.32%	26.51%	100%
% of Bank Loans in AA by #	88.00%	12.00%	0.00%	100%
% of Bank Loans in AA by \$	58.90%	41.10%	0.00%	100%

Source: Business Loan sampling 2012 & 2013; Dunn and Bradstreet data.

Geographic Distribution of Loans

The distribution of FNB&T's residential real estate and business loans to geographies of different income levels meets the standard for satisfactory performance and reflects reasonable dispersion. Dispersion in both of the bank's AAs (Non-MSA AA & Lawton MSA AA) was reasonable.

FNB&T Non-MSA Assessment Area

The overall geographic distribution of the bank's residential real estate and business loans to geographies of different income levels in the non-MSA AA meets the standard for satisfactory performance and reflects reasonable dispersion. The geographic distribution of business loans reflects reasonable dispersion while the geographic distribution of residential real estate loans reflects poor dispersion.

Residential Real Estate Loans

The overall geographic distribution of residential real estate loans in the bank's non-MSA AA does not meet the standard for satisfactory performance and reflects poor dispersion. No residential mortgage loans were made in the single non-MSA low-income census tract, and only 3.37 percent of the residential mortgage lending was in the moderate-income census tracts. The single low-income census tract accounts for only 1.40 percent of the Non-MSA AA owner occupied housing. Consequently, little to no residential lending is expected in this low-income tract due to the very limited opportunities. On-the-other-hand, mortgage lending in the non-MSA AA moderate-income census tracts accounted for only 3.37 percent of the residential lending originated in 2012 and 2013, while moderate-income tracts include 11.78 percent of the owner occupied housing in those moderate-income geographies. Consequently, residential mortgage lending to borrowers residing in moderate-income census tracts in the non-MSA AA is rated poor. We believe the percentage of the population on fixed income, and the fact that most branches are not located near the moderate-income census tracts, impacts success in this category.

Geographic Distribution of Residential Real Estate Loans in Non-MSA 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
Home Purchase	1.40	0.00	11.78	2.56	71.84	87.18	14.97	10.26
Home Improvement	1.40	0.00	11.78	8.33	71.84	91.67	14.97	0.00
Refinance	1.40	0.00	11.78	2.63	71.84	81.58	14.97	15.79
Total HMDA	1.40	0.00	11.78	3.37	71.84	85.39	14.97	11.24

Source: HMDA LARs 2012 & 2013; 2010 US Census data.

Business Loans

The geographic distribution of business loans in the bank's non-MSA AA meets the standard for satisfactory performance and reflects reasonable dispersion. The bank's percentage of business loans made to businesses in the single non-MSA low-income census tract is significantly higher than the percent of AA businesses located in that tract, which reflects excellent dispersion. However, business lending within the non-MSA AA moderate-income census tracts reflects poor dispersion. When considered together, business lending in low- and moderate-income census tracts (12.50 percent) is near the 16.24 percent of AA businesses in those tracts, and is considered "reasonable". The fact that most of the branches are not located near the moderate-income census tracts impacts the success in this category.

Geographic Distribution of Loans to Businesses (Non-Farm) in Non-MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	4.86	8.33	11.38	4.17	69.52	79.17	14.23	8.33

Source: Business Loan sampling 2012 & 2013; Dunn and Bradstreet data.

Lawton MSA Assessment Area

The overall geographic distribution of the bank’s residential real estate and business loans to geographies of different income levels in the Lawton MSA AA exceeds the standard for satisfactory performance and reflects excellent dispersion of lending in low- and moderate-income tracts.

Residential Real Estate Loans

The overall geographic distribution of residential real estate loans in the Lawton MSA AA exceeds the standard for satisfactory performance and reflects excellent dispersion. Although there were no residential real estate loans made in the three low-income census tracts in this MSA AA, this is reasonable, as only 2.9 percent of the housing in those tracts is owner occupied. Again, we believe the large percentage of the population on fixed income combined with the significant level of rental housing in the AA contributes to the bank’s lending patterns. The bank’s percentage of residential real estate loans made in the moderate-income census tracts in the AA exceeds the percent of owner occupied housing in those tracts and reflects excellent dispersion.

Geographic Distribution of Residential Real Estate Loans in Lawton MSA 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
Home Purchase	2.90	0.00	11.20	23.53	47.41	47.06	38.49	29.41
Home Improvement	2.90	0.00	11.20	0.00	47.41	100.00	38.49	0.00
Refinance	2.90	0.00	11.20	0.00	47.41	50.00	38.49	50.00
Total HMDA	2.90	0.00	11.20	14.29	47.41	50.00	38.49	35.71

Source: HMDA LARs 2012 & 2013; 2010 US Census data.

Business Loans

The geographic distribution of business loans in the Lawton MSA AA exceeds the standard for satisfactory performance and reflects excellent dispersion. The bank’s percentage of business loans made to businesses in the three low-income census tracts is well below the percent of MSA "AA businesses" located in these tracts, and by itself reflects poor dispersion. However, business lending within the MSA AA’s nine

moderate-income census tracts is significantly above the percent of "AA businesses" located in the Lawton MSA AA. Taken together, the geographic distribution of loans to businesses in low- and moderate-income tracts of this MSA AA exceeds the combined ratio of low- or moderate-income "AA businesses," and, overall, reflects excellent dispersion of business lending in the Lawton MSA.

Geographic Distribution of Loans to Businesses (Non-Farm) in Lawton MSA AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	14.06	4.00	20.51	32.00	38.35	52.00	26.75	12.00

Source: Business Loan sampling 2012 & 2013; Dunn and Bradstreet data.

Responses to Complaints

FNB&T received no CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT ANALYSIS (OPTIONAL)

Community Development Loans, Qualified Investments and Community Development Services

The bank's overall community development lending, investment and service performance within the FNB&T's AAs is excellent. Bank management requested the review of community development activity and it has had a positive impact on the bank's overall rating. Community development activities were evaluated from the bank's last CRA review of March 3, 2008 through the current examination date of April 9, 2014.

The bank's community development activities address many of the critical community needs of the bank's AAs, such as affordable housing and social services that benefit low- and moderate-income people.

Community Development Loans

The bank had an excellent level of community development loans. FNB&T has met a critical need in the community by originating \$6.85 million of loans that provide affordable housing.

During the evaluation period, the bank has been very active in the *Indian Home Loan Guarantee Program* (HUD Section 184 loans). The Section 184 *Indian Home Loan Guarantee Program* is a mortgage product specifically for American Indians. This program offers a low down payment requirement of only 2.25 percent for loans over \$50 thousand and only 1.25 percent for loans under \$50 thousand. Monthly mortgage

insurance premiums are not required. The bank originated 34 of these loans totaling \$3.847 million during the evaluation period. A majority of these loans are to low- and moderate-income families.

FNB&T is not only active in the State of Oklahoma in providing HUD 184 mortgage loans, the bank makes this lending program available to Native Americans across the nation. This mortgage product meets a significant need with Native Americans. Because of the unique status of Indian lands, Native American home ownership is an underserved market. The Section 184 program was specifically designed to improve home ownership opportunities for Native Americans.

Beginning in September of 2007, the bank began offering mortgage products under the USDA's *Rural Housing & Community Facilities Programs* (Section 502 loans). Section 502 loans are primarily used to help low-income individuals purchase homes in rural areas. During the evaluation period, the bank originated 29 of these loans totaling more than \$3.0 million.

In addition, FNB&T has facilitated credit to low- and moderate-income persons by servicing at no charge 56 tribal loans of the Citizen Potawatomi Nation made to low- and moderate-income persons. These loans are primarily to acquire and rehabilitate affordable housing.

Community Development Investments

The bank has an adequate level of community development investments. Qualified investments include approximately \$18 thousand in donations to non-profit agencies that provide affordable housing or social services to low- and moderate-income individuals. The bank made and has maintained a prior period equity investment of \$100 thousand in the State of Oklahoma MetaFund CDC, which is a Small Business Investment Corporation.

Community Development Services

The level of community development services is excellent. Bank officers have served in leadership positions with over 25 organizations that provide health and human services, youth programs and activities, and organizations that are involved in economic and small business development. The following are examples of qualifying community development services.

Shawnee, Lawton, and Mangum Chambers of Commerce

Bank officers serve in leadership positions in the above Chambers of Commerce, which are primarily involved in small business and economic development activities. Bank officers are involved with planning, budgeting and other financial matters.

Shawnee Economic Development Foundation

A bank officer serves on the Board of Directors of the Shawnee Economic Development Foundation. This organization is dedicated to expanding the economic base of the greater Shawnee area by retaining and expanding existing business and industry, as well as attracting new employers to the area.

United Way of Pottawatomie County

A bank officer serves on the Allocation Committee. This committee decides how funds are to be distributed among the twenty-plus United Way agency members.

Rotary Club, Lions Club, and Kiwanis Club

Several bank officers are active in local civic organizations that are active in raising funds and providing services to low- and moderate-income families, such as providing clothing and eyeglasses for needy children.

Citizen Potawatomie Nation Community Development Corporation

A bank officer serves on the Board of Directors of the Citizen Potawatomie Nation Community Development Corporation (CPNCDC). The CPNCDC provides both financing and counseling to Native American owned businesses. Many of these businesses would not have qualified for credit without this assistance and the CPNCDC as a funding source.

Oklahoma MetaFund CDC

A bank officer serves on the Board of Directors, Loan/Investment Committee and Personnel Committee. MetaFund is a certified Community Development Financial Institution (CDFI), a Community Development Entity, and an Oklahoma non-profit 501(c)(3) corporation that serves as a community development investment company. MetaFund's mission is to profitably invest in projects and businesses that create quality jobs, affordable housing, and other direct benefits to disadvantaged individuals and distressed geographic areas.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any AA by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.