



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

March 7, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank of Oklahoma
Charter Number 11397**

**1324 East Grand Avenue
Ponca City, Oklahoma 74601**

**Assistant Deputy Comptroller
Kyle M. Jones
Office of the Comptroller of the Currency
Oklahoma City Field Office
The Harvey Parkway Building, Suite 490
301 N.W. 63rd Street
Oklahoma City, Oklahoma 73116**

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.

TABLE OF CONTENTS

INSTITUTION'S CRA RATING.....	2
DESCRIPTION OF INSTITUTION	3
DESCRIPTION OF FIRST NATIONAL BANK OF OKLAHOMA'S ASSESSMENT AREAS.	4
CONCLUSIONS ABOUT PERFORMANCE CRITERIA.....	6

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

The major factors that support this rating include:

- A majority of the bank's loans were originated within the assessment areas (AAs).
- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- The bank's distribution of loans among borrowers of different income levels throughout its AAs is satisfactory.
- The bank's distribution of loans to census tracts of various income levels throughout its AAs is satisfactory.
- The bank has not received any consumer complaints regarding CRA performance.

First National Bank of Oklahoma is committed to serving the community. This is demonstrated by the satisfactory lending performance as described in this Performance Evaluation.

DESCRIPTION OF INSTITUTION

First National Bank of Oklahoma (FNBO) is headquartered in Ponca City, Oklahoma. The bank is 100 percent owned by First Bancorp of Oklahoma, Inc., a one-bank holding company, also headquartered in Ponca City, Oklahoma.

FNBO has three operating locations. The main office is located at 1324 East Grand Avenue, Ponca City, Oklahoma. Full-service branches are located at 101 West Grand, Tonkawa, Oklahoma and at 5625 North Western Avenue, Oklahoma City, Oklahoma. The Oklahoma City branch was opened at its current location in May 2004. Previously the bank's Oklahoma City presence was a loan production office located at 3555 N.W. 58th Street in Oklahoma City, which is now closed. Automated Teller Machines (ATM) are located adjacent to the main bank and Tonkawa branch bank as well as at 3150 East Highway 60 in Ponca City and 1315 North Main in Tonkawa. The bank also offers telephone banking and bank by mail as alternative distribution methods, with Internet banking being offered in 2005. FNBO's primary business focus in the Kay County Assessment Area (which includes the Ponca City and Tonkawa banking centers) is to provide various financial services to commercial, agricultural and consumers. The primary business focus in the Oklahoma City AA is the provision of financial services to small commercial businesses. Consumer lending is offered at the Oklahoma City branch; however, it is primarily provided as an accommodation for commercial customers. Hours of operation are responsive to the general banking needs of the areas served.

As of December 31, 2003, FNBO's total assets equaled \$86 million, of which \$56 million, or 65 percent, were composed of various types of loans to individuals and commercial businesses. The bank's loan portfolio is segmented as follows:

LOAN CATEGORY	\$ (000)	%
Commercial Real Estate Loans	18,515	32.88
Commercial Loans	18,344	32.58
Residential Real Estate Loans	10,899	19.36
Consumer Loans	8,553	15.18
Total	56,311	100.00

There are no legal or financial impediments to FNBO's ability to meet the credit needs of their Assessment Areas (AAs). The bank's CRA performance was last evaluated as of October 12, 1999, with a "***Satisfactory***" rating assigned.

DESCRIPTION OF FIRST NATIONAL BANK OF OKLAHOMA'S ASSESSMENT AREAS

The AAs adopted by FNBO consists of whole geographies, do not reflect illegal discrimination, and do not arbitrarily exclude low- or moderate-income geographies. The AAs meet the requirements of the CRA regulation.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE OKLAHOMA CITY AA	
Population	
Number of Families	36,038
Number of Households	67,428
Geographies	
Number of Census Tracts	64
% Low-Income Census Tracts	12.50
% Moderate-Income Census Tracts	32.81
% Middle-Income Census Tracts	25.00
% Upper-Income Census Tracts	26.56
NA	2
Median Family Income	
Census MSA Median Family Income	\$44,898
HUD Updated MSA Median Family Income	\$52,200
Economic Indicators	
% Unemployment Rate	2.41
Median Housing Value	\$87,242
% of Households Below Poverty Level	15.00

Source: 2000 U.S. Census

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF THE KAY COUNTY AA	
Population	
Number of Families	11,580
Number of Households	16,962
Geographies	
Number of Census Tracts	9
% Low-Income Census Tracts	0.00
% Moderate-Income Census Tracts	11.11
% Middle-Income Census Tracts	55.56
% Upper-Income Census Tracts	33.33
Median Family Income	
Census MSA Median Family Income	\$35,517
HUD Updated MSA Median Family Income	\$41,300
Economic Indicators	
% Unemployment Rate	3.72
Median Housing Value	\$53,224
% of Households Below Poverty Level	15.00

Source: 2000 U.S. Census

FNBO has defined their Oklahoma City AA as portions of central, north, and northwest Oklahoma City and western portions of Edmond, all located in Oklahoma County, consisting of 64 census tracts. Of these, 8 are low-income census tracts, 21 are moderate-income census tracts, 16 are middle-income census tracts, 17 are upper-income census tracts, and 2 census tracts income data is unknown. Total population of the tracts is 150,505. There are just over 76 thousand total housing units, of which 36,365 or 48 percent are owner occupied. Households below the poverty level total 9,806 or 15 percent and households that receive public assistance total 2,741 or 4 percent of the total number of households.

FNBO has defined their Kay County AA as the southern and western portions of Kay County in northern Oklahoma, consisting of 9 census tracts. These tracts include the cities of Ponca City and Tonkawa. Of these, there are no low-income census tracts, one moderate-income census tract, 5 middle-income census tracts, and 3 upper-income census tracts. Total population of the tracts is 42,524. Of the 19 thousand total housing units in the Kay county AA, 11,995 or 63 percent are owner occupied. Households below the poverty level total 2,549 or 15 percent and households that receive public assistance total 867 or 5 percent of the total number of households.

Local banking competition in the Oklahoma City market is aggressive and includes several community, regional and national banks and/or branches of these financial institutions. Competition in the Ponca City and Tonkawa markets is notable as there is also several community, regional and national banks/and or branches of these financial institutions located in this AA.

The economic conditions in the Oklahoma City AA are good. Low interest rates have supported a strong commercial real estate and housing market. A rebound in the energy industry continues to help the region by boosting employment and providing for income growth. The economic conditions in the Kay County AA have stabilized. The area had suffered over the past few years due to Conoco moving their headquarters from Ponca City to Houston, resulting in many higher-paying jobs leaving the area. Increasing oil prices are projected to boost the area economy as Conoco still maintains a large refinery in Ponca City.

A community contact in the Kay County AA was conducted during this review. The contact indicated that FNBO and other local area financial institutions continue to be very active and strive to meet the financial needs of the area.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

This Performance Evaluation (PE) assesses FNBO's performance, focusing on five performance criteria: loan-to-deposit ratio, lending in the AAs, lending to borrowers of different incomes and to businesses of different sizes, geographic distribution of loans, and responses to complaints.

In evaluating the bank's lending performance in the Kay County AA, 25 consumer loans and 20 agricultural loans originated in this AA were analyzed. Lending performance in the Oklahoma City AA was assessed by reviewing 5 consumer loans and 20 business/commercial loans. Because the Oklahoma City branch has extended only 5 consumer loans in that AA and since consumer lending is not a business focus, little emphasis was given to the Oklahoma City consumer loan sample in assessing CRA performance. All loans were originated since June 30, 2004. Based on this analysis and consistent the bank's business strategies and available resources and capabilities, the bank is meeting the overall credit needs of its AA in a satisfactory manner.

Loan-to-Deposit Ratio

FNBO's lending activity within its AAs is good and meets the standard for satisfactory performance. This conclusion is based on an analysis of comparable bank(s) located in each of the AAs. As illustrated in the table below, one bank had a loan-to-deposit ratio greater than FNBO's, with two having a loan-to-deposit ratio less than the bank's.

INSTITUTION	ASSETS AS OF 12/31/04 (000s)	AVERAGE LTD RATIO AS OF 12/31/04
Pioneer Bank & Trust, Ponca City	180,616	88.02%
<i>First National Bank of Oklahoma, Ponca City</i>	86,304	74.85%
Sooner State Bank, Tuttle	106,465	67.67%
Eastman National Bank, Newkirk	64,886	55.96%

Lending in Assessment Area

FNBO's lending in their AAs meets the standard for satisfactory performance. A majority of loans reviewed were extended within the bank's AAs. This conclusion is based on an analysis of 43 loans originated at the Oklahoma City branch and 65 loans originated from the Ponca City and Tonkawa branches since June 30, 2004, as depicted in the following tables:

LOANS REVIEWED – OKLAHOMA CITY ASSESSMENT AREA								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer – Auto	5	31%	238	54%	11	69%	202	36%
Business	20	77%	1,437	82%	6	23%	311	18%
Total Reviewed	25		1,675		18		513	

LOANS REVIEWED – KAY COUNTY ASSESSMENT AREA								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer – Auto	25	78%	296	74%	7	12%	102	26%
Agricultural	20	61%	908	54%	13	39%	787	46%
Total Reviewed	45		1,204		20		889	

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

FNBO's overall distribution of loans by income level of borrowers exceeds the standard for satisfactory performance.

OKLAHOMA CITY ASSESSMENT AREA

The bank's distribution of loans to small businesses is good. The percentage of the number of small business (with annual gross revenues of less than \$1 million) in the AA is 64 percent, while the number of loans extended by the bank to small businesses represented 85 percent and the dollar volume represented 91 percent, based on the loan sample.

The bank's distribution of consumer loans is not meaningful due to the small number of consumer loans extended. The business strategy at the Oklahoma City branch location focuses on commercial lending with consumer lending primarily provided as an accommodation to commercial borrowers.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES – OKLAHOMA CITY AA			
Business Revenues	\$0 – \$500,000	\$500,001 – \$1,000,000	> \$1,000,000
% of AA Businesses	57%	7%	9%
% of Bank Loans in AA #	55%	30%	15%
% of Bank Loans in AA \$	62%	29%	9%

Note: # Businesses not reporting revenues was 27.23 percent.

BORROWER DISTRIBUTION OF CONSUMER LOANS - OKLAHOMA CITY AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	22.79%		16.83%		19.76%		40.62%	
	% of Number	% of Amount						
Consumer Auto*	0	0	0	0	0		80%	95%

*The findings of the consumer auto sample are not meaningful resulting from the small number of consumer loans extended. One of the five loans in the sample did not have income information available.

KAY COUNTY ASSESSMENT AREA

The bank's distribution of loans to small farms is good. The percentage of the number of small farms (with annual gross revenues of less than \$1 million) in the AA is 93 percent, while the number and dollar volume of loans extended by the bank to small farms represented 100 percent, based on the loan sample.

The bank's distribution of consumer loans is good. The percentage of consumer loans extended to low-and moderate-income individuals exceeds the percentage of low-and moderate-income families represented in the AA.

BORROWER DISTRIBUTION OF SMALL LOANS TO FARMS – KAY COUNTY AA			
Farm Revenues	\$0 – \$500,000	\$500,001 – \$1,000,000	> \$1,000,000
% of AA Farms	93%	0%	4%
% of Bank Loans in AA #	95%	5%	0%
% of Bank Loans in AA \$	94%	6%	0%

Note: # Businesses not reporting revenues was 6.49 percent.

BORROWER DISTRIBUTION OF CONSUMER LOANS – KAY COUNTY AA								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	19.34%		17.10%		19.58%		43.98%	
	% of Number	% of Amount						
Consumer Auto	40%	18%	24%	22%	24%	32%	12%	28%

Geographic Distribution of Loans

The overall geographic distribution of loans meets the standard for satisfactory performance.

OKLAHOMA CITY ASSESSMENT AREA

The percentage of the number of small business loans extended in low-income census tracts is somewhat less than the percentage of small businesses located in those tracts. The percentage of the number of small business loans in moderate-income census tracts equals the percentage of small businesses located in those tracts.

The percentage of the number of consumer loans extended in low-and moderate-income census tracts is not meaningful due to the small number of consumer loans extended. The business strategy at the Oklahoma City branch location focuses on commercial lending with consumer lending primarily provided as an accommodation to commercial borrowers.

GEOGRAPHIC DISTRIBUTION OF LOANS TO SMALL BUSINESSES IN OKLAHOMA CITY AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
Loan Type	% of Number	% of AA Small Businesses	% of Number	% of AA Small Businesses	% of Number	% of AA Small Businesses	% of Number	% of AA Small Businesses
Business	0.00	15.01%	25.00%	25.59%	40.00%	32.50%	25.00%	26.90%

GEOGRAPHIC DISTRIBUTION OF CONSUMER LOANS IN OKLAHOMA CITY AA								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
Loan Type	% of Number	% of AA Households	% of Number	% of AA Households	% of Number	% of AA Households	% of Number	% of AA Households
Consumer Auto	0.00	3.42%	0.00	36.57%	20.00	27.80%	80.00	32.22%

KAY COUNTY ASSESSMENT AREA

The percentage of the number of small farm loans extended in moderate-income census is not meaningful due to the very small number of small farms located in moderate-income census tracts in the AA. There are no low-income census tracts in the AA.

The percentage of the number of consumer loans extended in moderate-income census tracts is good. Of the loans in the sample, 24 percent were extended in moderate-income geographies, while these geographies represented only 6 percent of AA. There are no low-income census tracts in the AA.

GEOGRAPHIC DISTRIBUTION OF LOANS TO SMALL FARMS IN THE KAY COUNTY AA								
Census Tract Income Level	LOW*		MODERATE*		MIDDLE		UPPER	
Loan Type	% of Number	% of AA Small Farms	% of Number	% of AA Small Farms	% of Number	% of AA Small Farms	% of Number	% of AA Small Farms
Agricultural	0.00%	0.00%	0.00%	1.95%	85.00%	63.64%	15.00%	34.41%

*There are no low-income census tracts in the Kay County AA.

GEOGRAPHIC DISTRIBUTION OF CONSUMER LOANS IN THE KAY COUNTY AA								
Census Tract Income Level	LOW*		MODERATE		MIDDLE		UPPER	
Loan Type	% of Number	% of AA Households	% of Number	% of AA Households	% of Number	% of AA Households	% of Number	% of AA Households
Consumer Auto	0.00	0.00	24.00%	6.28%	68.00%	62.16%	8.00%	31.56%

*There are no low-income census tracts in the bank's AA.

Responses to Complaints

There have been no consumer complaints relevant to the bank's Community Reinvestment Act performance during the evaluation period.

Fair Lending Review

An analysis of public comments and consumer complaints was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, it was determined that a comprehensive fair lending examination would not need to be conducted in conjunction with this CRA assessment.