



PUBLIC DISCLOSURE

May 13, 2019

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

First National Bank & Trust Company of McAlester
Charter Number 5052

235 East Choctaw
McAlester, Oklahoma

Office of the Comptroller of the Currency

8282 S. Memorial Drive, Suite 300
Tulsa, Oklahoma

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, and should not 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.

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Overall CRA Rating

Institution's CRA Rating: This institution is rated Satisfactory.

The lending test is rated: Satisfactory.

The community development test is rated: Satisfactory.

The major factors that support this rating include:

- The Lending Test rating is based solely on the one non-MSA assessment area (AA) in the State of Oklahoma.
- The loan-to-deposit (LTD) ratio is reasonable.
- A substantial majority of loans were originated inside the bank's AA.
- The geographic distribution of loans reflects excellent dispersion throughout the AA.
- The distribution of loans to individuals and businesses of different income levels is reasonable.
- The Community Development (CD) Test rating is based solely on the one non-MSA AA in the State of Oklahoma.
- CD activities, including lending, investments, donations, and services, reflect adequate responsiveness to the needs of the bank's AA.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the LTD ratio is reasonable.

The quarterly LTD ratio since the previous CRA performance evaluation (PE) averaged 64.04 percent. We compared the bank's LTD ratio to four similarly situated banks in their market area. The aggregate average LTD ratio for the competing banks was 58.19 percent, with a low average of 25.05 percent and a high average of 88.00 percent.

Lending in Assessment Area

A substantial majority of the bank's loans are inside its AA.

The bank originated and purchased 84 percent of its total loans inside the bank's AAs during the evaluation period.

Table D - Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	44	86.3	7	13.7	51	4,883	82.7	1,025	17.3	5,908
Small Business	45	81.8	10	18.2	55	2,712	35.8	4,856	64.2	7,568
Total	89	84.0	17	16.0	106	7,595	56.4	5,881	43.6	13,476

Source: Evaluation Period: 4/26/2016 - 12/31/2018 Bank Data
Due to rounding, totals may not equal 100.0

Description of Institution

First National Bank & Trust Company of McAlester (FNBM) is a \$460 million rural community bank, headquartered in McAlester, Oklahoma. As of December 31, 2018, FNBM had loans of \$269 million, or 58 percent of total assets. FNBM is a single-state institution with the main bank facility located in downtown McAlester, Oklahoma. FNBM is a subsidiary of First of McAlester Corporation, a single-bank holding company headquartered at the main bank address. FNBM operates a non-profit subsidiary Community Development Corporation named First National Development Corporation.

The bank has one rating area, the State of Oklahoma, with one assessment area which consists of all of Pittsburg and Latimer Counties. The bank operates six branches within its AA. The main bank, the second street drive-in, and the parkway branch are located in McAlester, Oklahoma, and the Hartshorne branch is located in Hartshorne, Oklahoma. In November 2016, the bank acquired Wilburton State Bank which added two additional branches in Wilburton, Oklahoma and expanded its AA to include Latimer County. The bank offers reasonable branch hours Monday through Friday, with additional hours offered on Saturday at three locations throughout their footprint.

The bank also operates six automated teller machines (ATMs). The main bank, the parkway branch, the Hartshorne branch, and the Wilburton Highway 2 branch each have an ATM onsite. There is also one stand-alone ATM on South Highway 69 in McAlester and one at the Pruett's Foods in downtown McAlester.

The bank's primary focus is commercial lending, although they offer a variety of loan and deposit products to meet the needs of the community. As of December 31, 2018, the loan portfolio consisted of 68 percent commercial loans, 22 percent residential real estate loans, 4 percent consumer loans, 4 percent agricultural loans, and 2 percent other loans. Service fees are consistent across all locations. The bank also offers telephone banking, online banking, and mobile banking.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. A CRA PE was last prepared as of April 25, 2016, and the bank received an overall rating of "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a full-scope review of FNBM's CRA activities in its AA under the Intermediate Small Bank CRA procedures, which includes the Lending Test and the CD Test. The Lending Test evaluates the bank's record of meeting the credit needs of the bank's AA through its lending activities. The CD Test evaluates the bank's responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

Conclusions regarding the Lending Test are based on samples of business and residential real estate loans originated from the date of the previous PE, April 25, 2016, through December 31, 2018. Conclusions regarding the CD Test are based on the bank's CD activities during the same time period.

Selection of Areas for Full-Scope Review

For purposes of this evaluation, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under the State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs. .

Ratings

The bank's overall rating is a blend of the state rating.

As FNBM has only one AA, consisting of the two non-MSA counties of Pittsburg and Latimer, the bank's overall rating is based solely on the full-scope review of this AA. Due to the bank's focus on business/commercial lending and the fact that a significant percentage of the bank's loan portfolio is composed of business/commercial loans, we placed more emphasis on the bank's performance under small loans to businesses.

The state ratings are based on performance in all bank AAs. Refer to the "Scope" section under the State Rating section for detail regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next PE in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this PE.

State Rating

State of Oklahoma

CRA rating for the State of Oklahoma¹: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

The major factors that support this rating include:

- The geographic distribution of loans reflects excellent dispersion throughout the AA.
- The distribution of loans to individuals and businesses of different income levels is reasonable.
- CD activities, including lending, investments, donations, and services, reflect adequate responsiveness to the needs of the bank's AA.

Description of Institution's Operations in Oklahoma

FNBM has one AA in the state of Oklahoma, which meets the requirements of the regulation, and does not arbitrarily exclude low- and moderate-income geographies. The AA includes all of Pittsburg and Latimer Counties. The AA consists of 16 census tracts (CTs), including 13 in Pittsburg County and three in Latimer County. Within the AA, there are three moderate-income CTs, 10 middle-income CTs, and three upper-income CTs. There are no CTs designated as low-income in the AA. Since the 2010 Census Data, several CTs designations changed. Specifically, the two designated moderate-income CTs for Census Data 2010 were changed to middle-income CTs for the 2015 Census Data. Three previously designated middle-income CTs for Census Data 2010 were changed to moderate-income CTs for Census Data 2015. FNBM currently has six locations within its AA. Four locations are in Pittsburgh County and two are located in Latimer County.

The level of banking competition in the bank's market area is strong. Banking offices in their market area total 17 and include a number of commercial state-chartered banks and branches of non-local banks. The AA includes several finance companies, credit unions, and payday lenders that are also competing for various bank services.

¹ This rating reflects performance within the state.

FNBM Non-MSA AA

Table A – Demographic Information of the Assessment Area 2016						
Assessment Area: FNBM Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	12.5	68.8	12.5	6.3
Population by Geography	56,991	0.0	9.4	72.3	15.1	3.1
Housing Units by Geography	27,461	0.0	13.1	71.4	15.5	0.0
Owner-Occupied Units by Geography	16,345	0.0	8.6	72.3	19.1	0.1
Occupied Rental Units by Geography	6,408	0.0	12.3	74.4	13.3	0.0
Vacant Units by Geography	4,708	0.0	29.8	64.3	5.9	0.0
Businesses by Geography	2,813	0.0	21.4	57.8	20.7	0.1
Farms by Geography	133	0.0	13.5	75.2	11.3	0.0
Family Distribution by Income Level	15,164	19.8	17.6	20.1	42.5	0.0
Household Distribution by Income Level	22,753	24.6	13.8	18.1	43.5	0.0
Median Family Income Non-MSAs - OK		\$47,749	Median Housing Value			\$80,028
			Median Gross Rent			\$579
			Families Below Poverty Level			11.9%
<i>Source: 2010 U.S. Census and 2016 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Table A – Demographic Information of the Assessment Area 2017-2018						
Assessment Area: FNBM Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	16	0.0	18.8	62.5	18.8	0.0
Population by Geography	55,735	0.0	18.4	63.0	18.6	0.0
Housing Units by Geography	27,824	0.0	17.9	67.3	14.7	0.0
Owner-Occupied Units by Geography	15,932	0.0	16.6	67.0	16.4	0.0
Occupied Rental Units by Geography	6,290	0.0	24.9	59.0	16.1	0.0
Vacant Units by Geography	5,602	0.0	14.0	77.6	8.4	0.0
Businesses by Geography	2,840	0.0	17.7	59.8	22.5	0.0
Farms by Geography	120	0.0	14.2	75.0	10.8	0.0
Family Distribution by Income Level	14,938	20.8	18.1	18.9	42.2	0.0
Household Distribution by Income Level	22,222	25.0	15.5	16.6	42.8	0.0
Median Family Income Non-MSAs - OK		\$51,698	Median Housing Value			\$93,500
			Median Gross Rent			\$624
			Families Below Poverty Level			14.0%
<i>Source: 2015 ACS Census and 2018 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Pittsburg County is located in Southeastern Oklahoma. The city of McAlester is the county seat for Pittsburg County. Other major cities within the county include Haileyville, Hartshorne, and Krebs. The main bank, two drive-thru facilities, and a full-service branch are located in Pittsburg County. All are located in McAlester with the exception of the full-service branch, which is located in Hartshorne. Approximately 89 percent of the bank's deposits are attributed to Pittsburg County, and the bank holds 41 percent of the deposit market share in this county. Pittsburg County consists of three moderate-income CTs (23 percent), seven middle-income CTs (54 percent), and three upper-income CTs (23 percent). The main bank is located in an upper-income CT, one drive-thru facility and the Hartshorne branch are located in a middle-income CT, and the remaining drive-thru facility is located in a moderate-income CT.

The most common employment sectors are healthcare, social assistance, government, retail trade, manufacturing, and education. Significant employers include McAlester Army Ammunition Plant, McAlester Regional Health Center, McAlester Public Schools, Oklahoma State Penitentiary, and Spirit Aerosystems. As of March 2019, the unemployment rate for Pittsburg County was 3.6 percent. This level is comparable to the state and national unemployment rates of 3.3 percent and 3.8 percent at March 2019, respectively.

Latimer County is also located in Southeastern Oklahoma. The county seat is Wilburton. Nearby towns include Fanshawe and Red Oak. Bank locations include a full-service branch and drive-thru facility. Approximately 11 percent of the bank's deposits are attributed to the Latimer County locations. In addition, the bank's deposit market share within Latimer County is 34 percent. Latimer County consists of three middle-income CTs. Both banking facilities are located in the same middle-income CT. The most common employment sectors are education services, healthcare, social assistance, and retail trade. Major employers include Eastern Oklahoma State College, Franklin Electric, Inc., and Latimer County General Hospital. Wilburton is also home to one of the largest and most visited state parks, Robbers Cave State Park. As of March 2019, the unemployment rate for Latimer County was 5.7 percent, which is significantly higher than the state and national unemployment rates of 3.3 percent and 3.8 percent, respectively.

The tables above summarize the demographic characteristics of the combined counties that make up the AA. The first table shows the demographic characteristics of the AA according to the 2010 Census Data, while the second table shows those same characteristics based on the 2015 Census Data. Comparison of the two census periods indicates no significant change in the level of population and number of businesses. However, the number of farms declined from 133 to 120 or nearly 10 percent. The median family income and housing values increased by approximately 8 percent and 17 percent, respectively. The percentages of families below the poverty level increased from 11.9 percent to 14 percent.

The OCC relied on recent community contacts completed by the Federal Deposit Insurance Corporation and Federal Reserve within the AA to gain a better understanding of the general community credit and development needs, as well as local economic conditions. One community contact indicated a need for health facilities and jobs. Both contacts reflected positive comments regarding local financial institution performance in meeting the credit needs of the AA.

Scope of Evaluation in Oklahoma

FNBM has only one AA consisting of Pittsburg and Latimer Counties in the State of Oklahoma. The FNBM non-MSA AA will receive a full-scope review. There are no limited-scope review areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN OKLAHOMA

LENDING TEST

The bank's performance under the Lending Test in Oklahoma is rated Satisfactory.

Based on a full-scope review, the bank's lending performance in the state of Oklahoma is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the non-MSA AA.

Home Mortgage Loans

Refer to tables O in the state of Oklahoma section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans reflects excellent dispersion. There are no low-income CTs in the AA. In 2016, the bank's percentage of loans in moderate-income CTs was excellent. The bank's percentage of loans in moderate-income CTs exceeded the percentage of owner-occupied housing units in those geographies and was comparable to the aggregate distribution of loans. For 2017-2018, the bank's percentage of loans in moderate-income CTs was also excellent. The bank's percentage of loans in moderate-income CTs exceeded the percentage of owner-occupied housing units in those geographies and was comparable to the aggregate distribution of loans in those areas.

Small Loans to Businesses

Refer to tables Q in the state of Oklahoma section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of loans to small businesses reflects excellent dispersion. There are no low-income CTs in the AA. In 2016, the bank's percentage of loans to businesses in moderate-income CTs exceeded the percentage of businesses and the aggregate distribution in these geographies. For 2017-2018, the bank's percentage of loans to businesses in moderate-income CTs was comparable to the percentage of businesses and the aggregate distribution of loans in these CTs.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable distribution of loans to individuals of different income levels and businesses of different sizes, given the product lines offered by the bank.

Home Mortgage Loans

Refer to tables P in the state of Oklahoma section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans in the AA is reasonable given the performance context. While the bank's percentage of home mortgage loans in 2016 to low- and moderate-income (LMI) borrowers was well below the percentage of LMI families in the AA, the percentage of bank loans was above the aggregate lending for low-income borrowers and comparable to the aggregate lending for moderate-income borrowers. For 2017-2018, the bank's percentage of loans was below the percentage of LMI families in the AA and below the aggregate for moderate-income borrowers; however, the bank's percentage of loans was above the aggregate percentage for low-income borrowers. Opportunities to lend to LMI families in the AA are limited. The AA has a large percentage of rental housing. Many LMI applicants cannot meet the credit qualification standards to obtain a loan. The bank offers a number of loan programs targeted to LMI borrowers, including their Low Income Home Loan Program, Low Income First Time Home Buyer Program, and Low Income Consumer Program.

Small Loans to Businesses

Refer to tables R in the state of Oklahoma section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

The borrower distribution of business loans in the AA is excellent. By number of loans made in 2016, the bank's percentage of lending to AA small businesses exceeded the percentage of reporting AA small businesses with gross annual revenues of less than \$1 million. The bank's percentage of lending to AA small businesses also exceeded the aggregate distribution of loans to those businesses. For 2017-2018, the bank's percentage of lending to AA small businesses was comparable to the percentage of reporting AA small businesses and exceeded the aggregate distribution of loans to AA small businesses.

Responses to Complaints

FNBM received no CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test in its state of Oklahoma non-MSA AA is rated Satisfactory.

Based on a full-scope review, the bank exhibits adequate responsiveness to CD needs in its Oklahoma non-MSA AA through CD loans, qualified investments, and CD services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for CD in the bank's AA.

Number and Amount of Community Development Loans

Community Development Loans				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
FNBM Non-MSA AA	19	100.0	7,307	100.0

The Lending Activity Tables, shown above, set forth the information and data used to evaluate the bank's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

The bank's level of CD lending demonstrates adequate responsiveness to the needs of its AA. During the review period, FNBM originated or renewed 19 CD loans totaling \$7.3 million within its AA. Key lending in the AA included loans to promote economic development and to finance affordable housing, community service operations, and revitalization and stabilization projects.

Significant loans include approximately \$2 million in business development loans to a local company that will create at least 30 new jobs. The bank also provided \$1.3 million to a local utility for upgrades and critical repairs to the city water system and renewed a \$1.2 million loan for an affordable housing senior citizen property.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
FNBM Non-MSA AA	5	1,272	1	437	6	100.0	1,709	100.0		

* Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The level of qualified CD investments in the AA indicates adequate responsiveness to the needs of the community. The bank made one qualified investment through the purchase of a municipal bond issued by a local public school district. The bank also had five municipal bonds from local public school districts from the prior evaluation period. All of the school districts are low-income with more than 50 percent of students qualifying for free or reduced-price lunch programs.

These investments include a \$437 thousand bond for Wilburton Public Schools, \$1 million in bonds for Krebs Public Schools, and \$251 thousand in bonds for McAlester Public Schools.

The bank also donated \$46 thousand to qualified organizations in their AA during the review period.

Extent to Which the Bank Provides Community Development Services

The level of qualified CD services in the AA indicates adequate responsiveness to the needs of the community. Ten bank officers and employees serve in leadership positions in local qualifying organizations that provide community services to low- and moderate-income families, affordable housing, support economic development, or revitalize and stabilize areas within the AA. They provide technical and financial expertise to these organizations. Bank officers and employees also hosted financial literacy and fraud awareness seminars in local schools and community centers and participated

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

in a local home buyer's information forum. Employees also assisted with fundraising for local qualifying organizations.

- McAlester Regional Health Authority – a bank officer serves as a board member for the local public trust hospital.
- Pittsburg County Habitat for Humanity – bank officers and employees serve as board and committee members for this local affordable housing organization.
- McAlester Lions Club – bank officers and employees serve as board members and committee members for the local eyeglasses/eye care program for those with financial need.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”, if applicable.

Time Period Reviewed:	04/26/2016 through 12/31/2018	
Bank Products Reviewed:	Home mortgage loans and small business loans CD loans, qualified investments and donations, and CD services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
Oklahoma		
FNBM Non-MSA AA	Full-scope	Counties of Pittsburg and Latimer

Appendix B: Summary of State Ratings

RATINGS		First National Bank and Trust Company of McAlester		
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating	
FNBM	Satisfactory	Satisfactory	Satisfactory	
State:				
Oklahoma	Satisfactory	Satisfactory	Satisfactory	

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year.

The following is a listing and brief description of the tables included:

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2016
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
FNB&T McAlester AA	21	1,888	100.0	969	0.0	--	0.0	8.6	9.5	14.2	72.3	57.1	60.8	19.1	33.3	25.0	0.1	0.0	0.0
Total	21	1,888	100.0	969	0.0	--	0.0	8.6	9.5	14.2	72.3	57.1	60.8	19.1	33.3	25.0	0.1	0.0	0.0

Source: 2010 U.S Census; 04/26/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2017-18
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
FNB&T McAlester AA	23	2,995	100.0	949	0.0	--	0.0	16.6	17.4	18.4	67.0	60.9	59.6	16.4	21.7	21.9	0.0	0.0	0.0
Total	23	2,995	100.0	949	0.0	--	0.0	16.6	17.4	18.4	67.0	60.9	59.6	16.4	21.7	21.9	0.0	0.0	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2016
Total Home Mortgage Loans					Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
FNB&T McAlester AA	21	1,928	100.0	969	19.8	4.8	3.2	17.6	9.5	15.7	20.1	19.0	20.0	42.5	61.9	47.2	0.0	4.8	13.9	
Total	21	1,928	100.0	969	19.8	4.8	3.2	17.6	9.5	15.7	20.1	19.0	20.0	42.5	61.9	47.2	0.0	4.8	13.9	

*Source: 2010 U.S. Census ; 04/26/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																				2017-18
Total Home Mortgage Loans					Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers			
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	
FNB&T McAlester AA	23	2,995	100.0	949	20.8	8.7	5.0	18.1	4.4	13.9	18.9	21.7	23.0	42.2	65.2	42.6	0.0	0.0	15.6	
Total	23	2,995	100.0	949	20.8	8.7	5.0	18.1	4.4	13.9	18.9	21.7	23.0	42.2	65.2	42.6	0.0	0.0	15.6	

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0*

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2016
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
FNB&T McAlester AA	25	1,326	100.0	663	0.0	--	0.0	21.4	28.0	20.7	57.8	40.0	54.4	20.7	32.0	24.9	0.1	0.0	0.0
Total	25	1,326	100.0	663	0.0	--	0.0	21.4	28.0	20.7	57.8	40.0	54.4	20.7	32.0	24.9	0.1	0.0	0.0

Source: 2016 D&B Data; 04/26/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2017-18
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
FNB&T McAlester AA	20	1,386	100.0	730	0.0	--	0.0	17.7	15.0	16.4	60.0	55.0	63.2	22.3	30.0	20.4	0.0	--	0.0
Total	20	1,386	100.0	730	0.0	--	0.0	17.7	15.0	16.4	60.0	55.0	63.2	22.3	30.0	20.4	0.0	--	0.0

Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2016
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
FNB&T McAlester AA	25	1,326	100.0	663	76.4	80.0	60.8	6.0	16.0	17.6	4.0	
Total	25	1,326	100.0	663	76.4	80.0	60.8	6.0	16.0	17.6	4.0	
<i>Source: 2016 D&B Data; 04/26/2016 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues												2017-18
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
FNB&T McAlester AA	20	1,386	100.0	730	75.6	75.0	60.5	6.4	10.0	18.0	15.0	
Total	20	1,386	100.0	730	75.6	75.0	60.5	6.4	10.0	18.0	15.0	
<i>Source: 2018 D&B Data; 01/01/2017 - 12/31/2018 Bank Data; 2017 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												