



Comptroller of the Currency  
Administrator of National Banks

## Public Disclosure

March 8, 1999

# Community Reinvestment Act Performance Evaluation

Stillwater National Bank and Trust  
Charter Number: 5347

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**NOTE:** 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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## General Information

*The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.*

*This document is an evaluation of the CRA performance of **Stillwater National Bank and Trust, Stillwater, Oklahoma**, prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **March 8, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

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

**Metropolitan Statistical Area (MSA)** - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

**Census Tract (CT)** - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

**Block Numbering Area (BNA)** - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations located in non-metropolitan statistical areas. A BNA has defined boundaries per ten year census.

**Home Mortgage Disclosure Act (HMDA)** - The statute that requires certain mortgage lenders that do business or have banking offices in a MSA 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, and its disposition (e.g., approved, denied, withdrawn).

**Median Family Income (MFI)** - The median income determined by the United States Census Bureau every ten years and used to determine the income level category of census tracts. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Low-Income** - Income levels that are less than 50% of the MFI.

**Moderate-Income** - Income levels that are at least 50% and less than 80% of the MFI.

**Middle-Income** - Income levels that are at least 80% and less than 120% of the MFI.

**Upper-Income** - Income levels that are 120% or more of the MFI.

**Small Business Loans** - Loans with an original amount of \$1 million or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

**Small Farm Loans** - Loans with an original amount of \$500 thousand or less for which the bank is required to collect and report certain monitoring data under the CRA regulation.

## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **“Satisfactory.”**

The major factors which support this rating include:

- < A good responsiveness to small business credit needs of its assessment areas.
- < The level of community development lending is good.
- < A substantial majority of home loans (85%) and small business related loans (83%) were originated within the assessment areas.
- < The distribution of all types of loans to borrowers of varying income levels and businesses of different sizes is reasonable.
- < An adequate level of qualified community development investments.
- < Excellent responsiveness to the needs of the community based on the number of branches compared to overall loan volume. Good access to delivery systems for the assessment areas through branch, ATM, and Service Call Center.

The following table indicates the performance level of **Stillwater National Bank and Trust (SNB)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Stillwater Bank and Trust Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

## Description of Institution

Stillwater National Bank and Trust Company (SNB) is an intrastate bank and was established in 1894 to meet the deposit and credit needs of the individuals and businesses located in Stillwater, Oklahoma. Since that time, SNB has expanded into the Oklahoma City, Chickasha, and Tulsa, Oklahoma markets. As of December 31, 1998, total assets were reported at \$1,027 billion. SNB is wholly owned by Southwest Bancorp, Inc. (SBI), a one-bank holding company headquartered in Stillwater. SNB is the sole subsidiary of SBI.

SNB has six full-service branches, two in Tulsa and Stillwater, and one each in Oklahoma City and Chickasha, Oklahoma. SNB pursues a decentralized community banking strategy through three regional divisions. These divisions include: the Stillwater Division, the Central Oklahoma Division (which includes Oklahoma City and Chickasha) and the Eastern Oklahoma Division (which includes Tulsa). Each division is managed by a senior officer with substantial flexibility over credit and pricing decisions. The divisions offer commercial, consumer and real estate lending services and retail and commercial deposit products in their market areas. Credit card, student and mortgage lending services are offered throughout Oklahoma. State branching laws impose significant limitations on additional branching. The law states that only two (2) de novo branches are allowed per bank in counties they are headquartered or a bank can acquire failed or purchase other financial institutions to increase the number of branch locations.

There are no financial impediments which would hamper SNB's ability to help meet the credit needs of its communities. The bank is adequately capitalized and operates profitably. As of December 31, 1998, the bank reported a net loan to deposit ratio of 93 percent with net loans representing 76 percent of the bank's total assets. SNB increased gross loans by 19 percent since year-end 1996. The bank originated and reported a significant increase in the number of HMDA related loans from 1997 to 1998. This increase (67%), is due to the bank making their own credit decisions instead of the secondary market investor(s). No specific loan programs or products were introduced during this evaluation period that contributed to this increase. Each branch location has at least one mortgage loan officer who handles all mortgage applications. The bank either sells their mortgage loans to the secondary market or retains them within their loan portfolio. Management's lending philosophy and strategy is small business and commercial

lending. As a result, the lending levels for HMDA related loans were not weighed as heavily as small business, Community Development, and multi-family loans to arrive to our conclusion for the Lending Test.

The following table shows the portfolio composition and changes since that time.

Loan Portfolio Composition (in 000s)					
Loan Type	12/31/96		12/31/98		% change during period
	\$	% of portfolio	\$	% of portfolio	
Real Estate	311,707	48.35	435,930	54.95	39.85
Commercial	208,003	32.27	237,743	29.97	14.29
Individuals	112,917	17.52	103,530	13.05	< 8.31 >
Agricultural	2,020	.31	1,824	.23	< 9.70 >
Other	9,999	1.55	14,292	1.80	42.93
<b>Total Gross Loans</b>	<b>644,646</b>	<b>100</b>	<b>793,319</b>	<b>100</b>	<b>18.74</b>

The increase in commercial real estate and commercial loans is a result of management's growth philosophy. The decrease in consumer loans resulted primarily from the bank's sale of the credit card portfolio in 1997. While the bank still offers credit cards, all balances are now being sold to outside institutions. Bank management stated and confirmed via our community contacts, that SNB is more of a small business lender and their expertise and knowledge is within the commercial/commercial real estate lending sector. Non-residential/commercial real estate loans comprise approximately 81% of the real estate loan portfolio as of December 31, 1998. As stated earlier, we weighed more heavily SNB's lending performance in small business, Community Development, and multi-family loans.

SNB has identified four assessment areas within the three divisions which were used in our evaluation of CRA performance. These assessment areas include: Stillwater - Payne County; Oklahoma City - Oklahoma County; Chickasha - Grady County; and Tulsa - Tulsa County. Opportunities in the Oklahoma City and Tulsa

assessment areas, while more numerous and varied, are also limited for such large metropolitan areas. Both the Oklahoma City and Tulsa assessment areas are part of larger MSAs. Based on the level and volume of deposits and loans from the Oklahoma, Tulsa, and Payne County assessment areas, the performance from these areas were considered equally to arrive at our conclusion. Refer to **Appendix B - Market Profiles** for additional performance context information and demographic data.

SNB's CRA performance was last evaluated as of March 1997. At that time the bank's overall level of performance was rated "Satisfactory".

## Conclusions with Respect to Performance Tests

### LENDING TEST

Conclusions:

- < Lending levels reflect good responsiveness to credit needs within SNB's assessment areas. The bank's loan to deposit ratio at December 31, 1998 was 93%. This ratio has averaged 87% since the last evaluation and exceeds peer group averages. SNB's loan to deposit ratio exceeds five (5) local financial institutions whose average ratios was 75% as of December 31, 1998.
- < SNB has made community development loans within the Tulsa, Payne and Oklahoma County assessment areas. SNB originated a significant dollar amount in Tulsa County. No community development loans were reported in Grady County.
- < SNB is the number one lender of home mortgage products in Payne county, its main office location. The distribution of HMDA products to low- and moderate-income geographies substantially matches the percentage of owner occupied units. However, the distribution of HMDA products to low- and moderate-income borrowers is less than the percentage of families within these areas. In Tulsa and Oklahoma County, the distribution of HMDA products to low-and moderate -income geographies and to low-and moderate

- income borrowers is substantially less than the percentage of owner-occupied units and percentage of families within these areas. SNB's market share in Tulsa County and Oklahoma County is minimal.

- < The bank's small business and small farm lending levels are good. During 1997 and 1998, the bank originated 2,088 loans within the assessment areas totaling approximately \$226 million. Market share information for 1997 shows that this bank is one of the top lenders of loans to small businesses and farms.
- < The borrower distribution is good for originating small business loans to businesses with revenues of \$1 million or less and in original amounts of \$100,000 or less. This distribution reflects the bank's lending strategy and expertise.

Based on full-scope reviews, the bank's lending performance in Oklahoma County, Tulsa County and Payne County is reflective of the bank's overall **LOW SATISFACTORY** performance under the Lending Test. In our limited scope review for Grady County, the bank's lending performance is consistent with the bank's overall lending performance rating. Refer to **Appendix C- Tables of Performance Data** for the facts and data that support these conclusions.

### **Lending Activity**

Lending levels reflect a good responsiveness to credit needs within SNB's assessment areas. The bank's loan to deposit ratio at December 31, 1998 was 93%. This ratio has averaged 87% since the last evaluation. SNB lending within their combined assessment areas continues to be high (85%) for both number and dollar amount of mortgage loans. SNB's level in the origination of small business and small farm loans within the combined assessment areas continues to be high with the number and dollar amount at 85% and 83% respectively. SNB ranks first in loan to deposit ratio among financial institutions in the Oklahoma City and Tulsa MSA. This rank is significant considering SNB's asset size and overall market share. The other financial institutions we compared to SNB included both larger and smaller institutions.

SNB has made several significant community development loans within their assessment areas. The bank funded one significant project in Tulsa County totaling \$4.5 million, 2 in Payne County totaling \$140 thousand, and 1 in Oklahoma County totaling \$9 thousand. This type of lending provides a significant number of housing units. No community development loans were reported in Grady County.

SNB is the number one lender of home mortgage products in Payne County where they have the majority of the overall market share. Payne County is the location of SNB's main office and is reflective of their leadership position within this market. The bank's number one (1) overall market rank for mortgage loans is reflective of their deposit share in Payne County. In addition, Payne County has 22% of the total reported loans for this evaluation period. Oklahoma County and Tulsa County reported 38% and 39% of the total reported loans and 25% and 33% of bank deposits respectively during this evaluation period.

During 1997 and 1998 the bank originated 2,088 small business and small farm loans within the assessment areas totaling approximately \$226 million, or 85% and 83% of the number and dollar amount respectively. Market share information for 1997 shows that the bank is one of the top lenders of loans to small businesses. This level of lending activity reflects their business strategy and expertise. The number and dollar amount of these loans is significant due to their limited number of branches and asset size.

We did not evaluate SNB's consumer loan activity. Banks are not required to collect and report data on consumer loan activity and SNB did not provide such information for this evaluation.

## **Distribution of Loans by Income Level of the Geography**

### ***Home Mortgage Loans***

For Oklahoma County and Tulsa County, SNB's percentage of HMDA loans in low- and moderate-income census geographies is substantially less than the percentage of owner-occupied units within these geographies. Multi-family originations substantially exceeds the percentage of owner-occupied units in moderate-income geographies. This type of lending resulted in 281 housing units in the Oklahoma

County and 27 housing units in the Tulsa County assessment areas. This type of lending is reflective of the bank's lending expertise and provides another avenue in providing housing opportunities instead of the traditional mortgage loan funding. The bank's market share in low- and moderate-income geographies is lower than their overall market share for all HMDA loans, except refinanced loans. In the Oklahoma County and Tulsa County assessment areas, the bank's market share in moderate-income CT's, for refinanced loans, meets or exceeds their overall market share.

In Payne County, SNB's lending performance shows their percentage in the number of HMDA loans in low- and moderate-income geographies meets or exceeds the percentage of owner occupied units within these geographies. In addition, SNB's market share in low- and moderate-income geographies exceeds their overall market share for all HMDA loans, except for refinance loans in low-income geographies. Multi-family originations substantially exceeds the percentage of owner-occupied units in moderate-income geographies and provides an alternative avenue in providing housing opportunities. This type of lending resulted in 237 housing units within Payne County.

SNB's HMDA lending distribution in low-and moderate - income geographies is adequate. Refer to **Appendix C- Tables of Performance Data** Table 2 to Table 5 for mortgage lending patterns by the income level of the geographies located in the assessment areas.

### ***Small Business Loans***

SNB's geographic distribution of small business loans reflects an adequate dispersion throughout the assessment areas. SNB's percentage distribution in the number of small business loans is lower than the percentage of businesses located in both the low-income and moderate-income geographies. SNB's market share in Oklahoma County and Payne County for low- and moderate-income geographies is slightly lower than its overall market share. SNB's market share in low-income geographies substantially exceeds the overall market share for Tulsa County. SNB's market share indicates that the bank is one of the leaders in the origination of small business loans within the assessment areas.

Refer to **Appendix C- Tables of Performance Data** Table 6 which shows the number of small business loans originated within the assessment areas in 1997

and 1998. The chart also displays the percentage of businesses located in each designated geographies, SNB's overall market share and market share within the geographies.

### ***Small Farm Loans***

As mentioned in the **Description of the Institution** section, the bank's portfolio composition and lending strategy reflects a limited number of agricultural loans secured by farmland or for agricultural production. These type of loans average less than one percent of the loan portfolio for the past five years.

SNB's percentage of small farm loans in low-and moderate-income geographies is lower than the percentage of farms within these geographies for all the assessment areas receiving a full-scope review. In Oklahoma County, the origination of the bank's small farm loans are centered in upper-income geographies (100%). The bank's market share in low- and moderate-income geographies is lower than the overall market share in Oklahoma County and Tulsa County. SNB's market share in low-income geographies exceeds its overall market share in Payne County.

SNB's Small Farm lending distribution is adequate. Please refer to **Appendix C- Tables of Performance Data** Table 7 for the number of small farm loans originated with the assessment areas in 1997 and 1998. The chart also displays the percentage of farms located in each designated geography.

### **Distribution of Loans by Income Level of the Borrower**

#### ***Home Mortgage Loans***

SNB's combined percentage in the number of home purchase and refinanced loans to low-, moderate-, and middle-income borrowers is lower when compared to the percentage of loans to upper-income borrowers. In addition, the percentage of loans to low- and moderate-income borrowers is lower when compared to the percentage of families within these income categories.

In Payne County and Tulsa County, the bank's low-income market share for home purchase loans exceeds its overall market share in these assessment areas. SNB's market share to moderate-income borrowers is lower than its overall market share for all assessment areas.

Home Improvement loans show improved distribution. SNB's percentage of loans to moderate-income borrowers in Tulsa County and Payne County substantially meets the percentage of moderate-income families in these assessment areas. The percentage of loans to low-income borrowers compared to the percentage of families within these income levels is lower for all assessment areas.

In Payne County, the bank's moderate-income market share for home improvement loans exceeds its overall market share. SNB's low-income market share for all assessment areas is lower than its overall market share.

Home mortgage refinanced loans is reflective of its mortgage lending discussed above. However, in Payne County, the bank's low- and moderate-income share exceeds its overall market share. Tulsa County's moderate-income market share also exceeds its overall market share.

SNB's HMDA lending distribution to low- and moderate-income borrowers is adequate. Lending to low- and moderate-income families for all assessment areas is affected by the increasing housing values compared to median family income. Increasing housing values negatively affects families whose income is unable to meet minimal levels of mortgage payments. Although SNB has shown a significant increase in originating HMDA related loans, this increase is due to changes in the decision process and not the result of new products. Competition for such loans is strong, where significantly larger financial institutions with extensive branch distribution and/or nonbanks represent the majority of loans funded. As a result, multi-family housing and community development loans are offered by SNB as an alternative avenue to housing opportunities. Please refer to **Appendix C- Tables of Performance Data** Table 8, 9, and 10 for the percentage distribution of HMDA reportable loans made in 1997 and 1998. For comparison, the chart also presents the distribution of all families living in the assessment areas according to their income level and number and percentage of total reportable loans within the assessment area.

### ***Small Business Loans***

SNB has shown good response to small business credit needs within its assessment area. The percentage of bank loans within the assessment areas is lower when compared to businesses with revenues of \$1 million or less.

However, the percentage of the bank's loans exceeds the percentage of loans of other small business reporters for all the assessment areas. SNB is extending credit to small businesses at varying dollar ranges but most significantly in amounts less than \$100,000. SNB's overall market share compared to its market share in loans to businesses with revenues of \$1 million or less shows loans are being made to businesses, which is consistent with the demographics of the assessment areas and lending expertise/strategy. SNB's small business distribution in low- and moderate-income geographies is good. Please refer to **Appendix C- Tables of Performance Data** Table 11 which will reflect SNB's willingness to make loans of varying sizes.

### ***Small Farm Loans***

SNB's percentage of loans within their assessment areas to farms with revenues of \$1 million or less is lower than the percentage of farms within these areas. In addition, the percentage of the bank's loans for the Oklahoma County and Tulsa County areas are lower than the percentage of other small farm reporters. The percentage of bank loans in Payne County is slightly lower than the percentage of other small farm reporters. The bank's loans are centered in amounts less than \$100,000 and to farms with revenues less than \$1 million, which is consistent with the demographics of the assessment areas and lending expertise/strategy. SNB's Small Farm lending distribution is adequate. Please refer to **Appendix C- Tables of Performance Data** Table 12 which will reflect SNB's willingness to make loans of \$250 thousand or less and market share.

### ***Community Development Lending***

SNB has originated a high level of qualifying community development loans during this assessment period given the bank's size, commercial lending expertise, available resources and opportunities available per our community contacts. Qualifying loans are those whose primary purpose meets the definition of community development contained in the CRA regulation and have not been considered in SNB's assessment of home mortgage, small business or small farm loans.

The dollar amount of loans is significant given the bank's size and resources. During the review period, SNB originated four (4) qualifying community development loans totaling \$4,649,785. All of the loans relate to affordable

housing for low- and moderate-income persons. The community development loan in Tulsa county was used to develop a 144-unit apartment complex under the Low-Income Housing Tax Credit Program, which provides affordable housing to low- and moderate-income individuals or families. This type of lending is reflective of their knowledge in commercial real estate lending which provides significant contribution to available housing units within the Tulsa County assessment area. SNB's level of performance is good. Refer to the **Appendix B - Market Profile** for community contact discussion on affordable housing inventory. All of the community development loans benefit the bank's assessment areas, with the exception of the Grady County Assessment Area. No community development loans were identified for that assessment area.

### ***Product Innovation and Flexibility***

SNB uses flexible products in an effort to meet the credit needs of both individuals and small business.

The bank offers VA and FHA mortgage loans in addition to conventional mortgages. The majority of these loans are subsequently sold in the secondary market once originated and are included in the home loans numbers presented previously in this evaluation. During this review period, the bank originated 23 government guaranteed loans totaling \$2,080,000.

SNB also participates in SBA lending programs. During this review period, the bank originated 2,030 small business loans totaling \$224,547,000. As mentioned earlier, SNB is a SBA Preferred Lender and its lending expertise and strategy is small business/commercial.

Other flexible loan programs offered by the banks are:

- < A "Shelter Loan Program-Stillwater" with credit qualification criteria and special pricing which offers a below-market interest rate for owner-occupied properties. The program also requires completion of a training program on home ownership. Three (3) loans totaling \$115,000 were funded during this review period.

### **Performance in Limited-Scope Areas**

Based on limited-scope reviews, the bank's lending performance in the Grady County assessment area is consistent with the bank's overall Low Satisfactory performance under the Lending Test. Refer to **Appendix C- Tables of Performance Data** Tables for the facts and data that support these conclusions.

## INVESTMENT TEST

Conclusions:

- < SNB has an adequate level of qualifying community development investments and grants, given the bank's size, available resources and the opportunities available.
- < SNB has made qualifying investments or grants to 23 various organizations or projects in its assessment areas. These totaled \$922,721 for the review period of March 1997 through March 1999.
- < The investments or grants are not considered innovative or complex.

Of the 23 qualifying investments and grants, 22 were grants to various organizations and projects totaling \$22,721. Grants have been extended in all assessment areas and were to organizations which focus on economic development, affordable housing, or the provision of community services targeted to people of low- or moderate-income. One qualifying investment totaling \$900,000 was extended during the review period. It consisted of a municipal bond issued by an independent public school district. The underlining purpose of the bond is service related and targeted to low- and moderate-income individuals. We were provided documentation from the Oklahoma State Department of Education which showed a substantial majority of the students who attend this small school district come from low- and moderate-income families. The proceeds from the bonds will be used in part to improve, renovate, and repair facilities. The results of these activities could, in effect, stabilize and revitalize low- and moderate-income geographies by providing educational opportunities. While opportunities in the Payne County and Grady County Assessment Areas are more limited than those in the Oklahoma County or Tulsa County Assessment areas, all areas allow for improvement.

Based on full-scope reviews, the bank's performance under the Investment Test in Oklahoma County, Tulsa County, and Payne County is reflective of the bank's overall **Low Satisfactory** rating performance under the Investment Test. Refer to **Appendix C- Tables of Performance Data** Table 14 for the facts and data that support these conclusions.

### **Performance in Limited-Scope Areas**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Grady County assessment area is inconsistent with the bank's overall **Low Satisfactory** rating performance under the Investment Test, but it is not significant enough to affect the overall rating. Refer to **Appendix C- Tables of Performance Data** Table 12 for the facts and data that support these conclusions.

## SERVICE TEST

### Conclusions:

- < SNB's delivery systems are reasonably accessible to geographies and individuals of different income levels in its assessment areas.
- < Branch openings and closings have not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or individuals.
- < Services and business hours do not vary in a way that would inconvenience any portions of the assessment areas.
- < High level of Community development services.

Based on full-scope reviews, the bank's performance under the Service Test in Oklahoma County, Tulsa County, and Payne County is reflective of the bank's overall **High Satisfactory** performance under the Service Test. Refer to **Appendix C- Tables of Performance Data** Table 13 and the following discussion for the facts and data that support these conclusions.

### Retail Banking Services

The quantity, quality and accessibility of SNB's service-delivery systems within its assessment areas are good. The bank provides a wide range of services at each of the six branch locations. Services provided at the various branches do not vary in a way that would inconvenience portions of the assessment areas. Hours of operation are equitable bank wide.

Of SNB's six (6) full service branches, one (1) is located in a moderate-income BNA, three (3) are in middle-income geographies or BNAs, and two (2) are in upper-income geographies or BNAs. On January 23, 1999, the 21st Street Tulsa location, located in an upper-income census tract, was relocated to a new facility less than one mile away. The new facility is now located in a middle-income geography. The relocation has not adversely affected the bank's delivery systems to low- and moderate-income geographies and/or individuals. No other offices have been opened or closed since the previous examination. Despite the limited

number of branches, SNB has been successful in generating a high volume of loans.

To further provide access to financial services, the bank also operates twenty-two (22) proprietary ATMs throughout the assessment areas. Four proprietary ATMs are located in low-income geographies or BNAs and five are located in moderate-income geographies or BNAs. As a result, 57% of the ATM's in Tulsa County are located in low- and moderate-income geographies compared to 27% of the population located in these geographies. In Payne County, 45% of the ATM's are located in low- and moderate-income geographies compared to 14% of the population located within these geographies. In Oklahoma County, one ATM is located in a undesignated census tract. However, a review of the location of this ATM shows that its bordered by three (3) low-income geographies, one (1) moderate-income geography, and one (1) middle-income geography. The overall distribution of SNB's ATM's reflects their efforts in meeting the financial needs of low- and moderate-income individuals and geographies under branch limitations imposed by the State of Oklahoma. Refer to **Appendix C- Tables of Performance Data** Table 13 for illustration of the aggregate distribution of SNB's branch and proprietary ATM locations by income level within each assessment area. In addition, SNB services an additional fourteen (14) non-proprietary ATMs within the assessment areas. These ATMs are owned by SNB's subsidiary, Cash Source Inc and are not included in Table 13.

SNB makes extensive use of alternative delivery systems, in an effort to reach a broader section of its assessment areas and to compensate for branching restrictions mandated by state law. Management was unable to provide specifics on the availability and effectiveness of their alternative delivery system to low- and moderate-income individuals and geographies. However, the following services provide alternative delivery systems to all sections of their assessment areas and the objectives of these services provides easy access and opportunities for bank services to low- and moderate-income individuals and geographies. In addition to branches and the numerous proprietary ATMs, the bank offers the following services:

- < **ExpressLine 24** - an automated telephone service that enables customers to obtain depository and credit information 24 hours a day.

- < **Sales and Service Center** - a full-service phone center which allows customers to open deposit accounts, open or renew certificates of deposits, apply for consumer loans, inquire about rates on loans and deposits or receive account services and maintenance. The center is open Monday through Friday 7:00 a.m. to 7:00 p.m. and Saturday 8:00 a.m. to 5:00 p.m.. The center can be reached by phone through a toll-free number. This type of service has provided convenient banking services to individuals with limited transportation means.
- < **Direct Banker** - Internet PC access allows customers to access their accounts through the Internet. It allows the customer to conduct such transactions as transferring funds between accounts, pay bills, order checks, and review balances of checking, savings, CD's, money market, or loan accounts. Individuals may also apply over the Internet for deposit accounts and consumer loan products offered by the bank. Additional features for Cash Management subscribers include: Loan payments and advances, ACH origination, Wire transfers, and Direct deposit.
- < **Business Development Office** - operated on the campus of Oklahoma State University (Payne County Assessment Area).

### **Community Development Services**

SNB provides a high level of other services to low- and moderate-income individuals and to low- and moderate-income geographies within the assessment areas related to the provision of financial services whose primary purpose is community development. We considered these services to be of a high level due to the number of bank employees providing technical and financial expertise to a large number of low- and moderate-income individuals. The bank was successful in providing these type of services to a large group through numerous forums and seminars. These services include providing technical assistance on financial matters to nonprofit organizations which serve low- and moderate-income individuals/families and to other groups or small businesses which promote community revitalization, community development, or affordable housing. SNB also offers a low cost basic checking account targeted at low- and moderate-income depositors. In January 1999, SNB acquired four (4) ATM's, all of which are housed in Warehouse Market grocery stores, within the Tulsa area. Warehouse Market grocery stores are typically located in lower-income areas and

services low- and moderate-income geographies. The ATMs have the ability to process Access Oklahoma “money cards” issued by the State of Oklahoma to persons receiving certain types of state assistance. These ATMs charge Access Oklahoma users a \$1 service fee for each cash withdrawal.

Community development services include the following:

**Central Oklahoma Clearinghouse Association (COCHA)** - An SNB credit analyst serves on the loan approval board of COCHA. COCHA provides home loans specifically targeted toward low- to moderate-income individuals or those desiring to purchase a primary residence in a low-to-moderate income area. This service is conducted in Oklahoma City.

**Oklahoma Small Business Development Center** - An SNB Loan Officer performed instructional seminars at the Small Business Development Center located at Rose State College. This College is located in a moderate-income geography and serves low- and moderate-income individuals. The seminars provide instruction on how to prepare SBA applications for bank review.

**Salvation Army Boys and Girls Club** - Bank personnel in Oklahoma City have helped the organization with their budgeting processes by providing financial expertise. This organization is located in a low- and moderate-income geography and works with individuals who reside in low- and moderate-income geographies.

**Access Oklahoma ATM Services** - Access Oklahoma Cards are “money cards” which the State of Oklahoma issues to persons receiving certain types of state assistance, including assistance to low- and moderate-income individuals. ATM access is required to obtain these funds. In January 1999, SNB acquired four (4) ATMs which accept these “money cards”. These ATMs are located in Tulsa area Warehouse Market grocery stores, which are predominantly located in low- to moderate-income census tracts and serves a large number of low-and moderate-income individuals. SNB charges users of the “money cards” a \$1 service fee for each cash withdrawal.

**Habitat for Humanity** - A senior officer in Tulsa served on fund raising committees and provided technical assistance in helping the organization search for board members and an accountant to assist low- and moderate-income families.

**Community Reinvestment Council** - Small business forums are sponsored by the Tulsa Community Reinvestment Council and Tulsa Library. These forums allow the public to seek advice and counsel from bankers. SNB representatives attend these forums regularly and provide information and advice about banking services to low-and moderate-income individuals.

**Stillwater Partners for Affordable Housing** - An SNB loan officer assists this group by providing technical assistance and helping to establish program and lending guidelines to low- and moderate-income families.

**ARK, Inc.** - ARK Inc. was organized through a HUD housing project grant and provides new housing for clients with mental illness. Many of the clients are low- and moderate-income individuals. A member of the bank's private banking department from Stillwater serves as the chair person for the finance committee.

**First Time Home Buyer Seminars** - An SNB officer from Stillwater conducted seminars for first time home buyers in 1997 and 1998 at the Meridian Technology Center. The seminars are open to the public but are primarily targeted to low- and moderate-income first time home buyers located in low-and moderate-income areas.

**United Way of Stillwater and Tulsa Area** - Members of SNB senior management provide financial expertise to Committees. Bank management provided information which showed that the majority of individuals serviced are low- and moderate-income individuals and/or families located in low-and moderate-income geographies.

### **Performance in Limited-Scope Areas**

Based on limited-scope reviews, the bank's performance under the Service Test in the Grady County assessment area is inconsistent and weaker than bank's overall **High Satisfactory** performance under the Service Test; however, it did not change the overall Service Test rating for SNB. Refer to the **Appendix C- Tables of Performance Data** Table 13 for the facts and data that support these conclusions.

## **Fair Lending Review**

A fair lending examination was performed using a comparative analysis of thirty-five (35) approved male applicants to seventeen (17) approved female applicants for home improvement purpose loans. We evaluated loans originated from January 1, 1998 to December 31, 1998. No evidence of discriminatory or other illegal credit practices were noted during this examination. As a result, the fair lending examination did not impact the CRA rating. The bank's record of complying with the antidiscrimination laws (ECOA, FHA, or HMDA) is good.

## **Appendix A: Scope of Examination**

The evaluation period for the Lending Test is from January 1, 1997 to December 31, 1998. Loan products evaluated were: Mortgage, Small Business and Small Farm, and Community Development. Our evaluation period for the Investment and Service test was from March 25, 1997 to March 8, 1999.

A data verification review on the bank's mortgage and small business loans for 1998 was conducted in December, 1998. We requested a listing of all mortgage and small business loans originated in 1998 and selected a random sample. Our sample totaled approximately 5% for each loan product. Our verification procedures included ensuring the accuracy of the reported information. This was achieved by reviewing each loan file and comparing the data in the loan file to what was reported. The results of our review identified errors in the occupancy codes and census tract for HMDA related loans. Significant errors were noted in the 1998 Small Business data. These errors were centered in the revenue codes for start-up businesses. As a result, management implemented a review of all affected loans and corrected the errors prior to submission. Management has implemented corrective measures to minimize future errors.

Our conclusions are based primarily on the results of the assessment areas that received full-scope reviews. Areas that received full scope review included Oklahoma, Tulsa, and Payne Counties. Oklahoma County is part of the Oklahoma City MSA, with Tulsa County part of the Tulsa MSA. Payne County (Stillwater) is a nonmetropolitan area located between the Tulsa and Oklahoma City MSA and is the home office of SNB. A limited review was conducted for Grady County, a nonmetropolitan area. As a result, these areas constituted a good representative sample of both significant and less significant markets where the bank conducts business. For example, the percentage of reported bank loans for Oklahoma, Tulsa and Payne Counties during this evaluation period is 38%, 39% and 22% respectively. As of December 31, 1998, the total deposits in these areas were 25%, 33%, and 37% respectively. Please refer to Appendix C Table 1 for the lending and deposit volume for all the areas.

We conducted three (3) community contacts in Oklahoma City, one (1) in Tulsa, and one (1) telephone follow-up for Payne County. Our contacts in Oklahoma City included the Minority Business Development Center, Oklahoma Housing Finance

Agency, and Oklahoma Small Business Development Center. Our contact in Tulsa was with the U.S. Department of Housing and Urban Development - Community Builders. Our follow-up telephone interview for Payne county was with the Stillwater Housing Authority. Overall, the identified needs of the community are affordable housing and small business lending. The bank is known for being aggressive in small business lending throughout the communities.

## Appendix B: Market Profiles

### Market Profile for OKLAHOMA COUNTY ASSESSMENT AREA where Full- Scope Procedures were Performed

Demographic Information for Full-Scope Area: Oklahoma County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	221	10%	27%	40%	22%	2%
Population by Geography	599,611	6%	26%	42%	26%	1%
Owner-Occupied Housing by Geography	145,847	4%	22%	45%	29%	0%
Businesses by Geography	24,460	7%	25%	39%	24%	5%
Farms by Geography	404	4%	20%	45%	30%	0%
Family Distribution by Income Level	161,080	21%	18%	22%	39%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	63,304	10%	36%	42%	12%	0%
Median Family Income	= \$33,428	Median Housing Value				= \$55,156
HUD Adjusted Median Family Income for 1998	= \$41,300	Unemployment Rate December 1998				= 3.4%
Households Below the Poverty Level	= 13.9%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

### Description of the Oklahoma City Assessment Area

The Oklahoma City Assessment Area consists of Oklahoma County and is part of the Oklahoma City MSA. Major employers include services, government, retail, manufacturing, finance, real estate and wholesale trade. The leading employers include Tinker Air Force Base, State of Oklahoma, Oklahoma Health Center, Oklahoma City Public Schools, Lucent Technologies, General Motors, and Baptist Medical Center. The local and regional economies have rebounded after declines in the farm, energy, and real estate sectors in the 1980's. Current areas of economic strength included strong real estate construction activity and new business and job growth opportunities created by the Metropolitan Area Projects (MAPS). The local economy is considered to be strong. Mortgage lending competition is fierce, with competitors including community and regional banks,

mortgage companies, and anti-poverty organizations. Competition for loans between bank and non-bank institutions is strong. Also affecting lending opportunities is the level of households below the poverty level located in low- and moderate-income geographies of 44% and 21% respectively. The limitations of disposable income for families living below the poverty level negatively affects their ability to qualify for home ownership. Based on 1990 U.S. Census data, total population of the assessment area is 599,611. The median family income for the assessment area is \$33,428. This compares to the HUD updated annual MSA median family income at \$41,300.

Nonfarm businesses represent 98 percent (24,460) of total businesses in the assessment area. The majority of these businesses are small, with 70 percent reporting sales of less than \$1 million.

A review of peer bank CRA Public Evaluations and community contacts conducted during this examination, indicated a number of opportunities to participate in community development lending, investment and service activities. Pertinent demographic information used in this analysis is discussed under the **Description of Institution** section.

### **Summary of Institution's Operations in the Oklahoma City Assessment Area**

SNB has one full-service branch located in Oklahoma City. The branch is located in an upper-income census tract. Alternative delivery systems include two full-service proprietary automated teller machines (ATMs), one at the branch and one at the University of Oklahoma Health Sciences Center. Both are located in upper-income census tracts. SNB also operates an ATM in the downtown Oklahoma City area, however, this ATM only dispenses cash.

This assessment area accounts for a large percentage of the deposits and loans allocated to the Central Oklahoma Division. The division represents approximately 25 percent of SNB's total deposits and 38 percent of total reported loans. As of December 31, 1998, the majority of the loans from this assessment area are real estate related.

Competition for loans is fierce between bank and nonbank financial institutions. Overall population growth is projected to continue its upward trend.

**Market Profile for TULSA COUNTY ASSESSMENT AREA where Full-Scope Procedures were Performed**

Demographic Information for Full-Scope Area: Tulsa County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	158	7%	25%	39%	28%	1%
Population by Geography	503,341	6%	21%	44%	29%	0%
Owner-Occupied Housing by Geography	123,047	4%	19%	45%	32%	0%
Businesses by Geography	23,765	4%	25%	41%	30%	0%
Farms by Geography	408	4%	16%	48%	32%	0%
Family Distribution by Income Level	136,842	20%	17%	21%	42%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	50,177	10%	33%	44%	13%	0%
Median Family Income	= \$35,156	Median Housing Value		= \$65,220		
HUD Adjusted Median Family Income for 1998	= \$41,400	Unemployment Rate December 1998		= 3.1%		
Households Below the Poverty Level	= 12.8%					

Source: 1990 U.S. Census and 1998 HUD updated MFI.

**Description of the Tulsa Assessment Area**

The Tulsa Assessment Area consists of Tulsa County and is part of the Tulsa MSA. The services sector employs the largest number of individuals. The retail and wholesale trade sectors are also primary employers. Major employers include American Airlines, Tulsa Public Schools, McDonnell Douglas, St. John Medical Center, and Rockwell International Corporation. Competition is very strong in the assessment area, especially for mortgage related products. Mortgage lending competition is fierce, with competitors including community and regional banks, mortgage companies, and anti-poverty organizations. Also affecting lending opportunities is the level of households below the poverty level located in low- and moderate-income geographies of 39% and 21% respectively. Competition for loans between bank and non-bank institutions is strong. The Tulsa metroplex, as a

whole, is currently enjoying low unemployment and fast-paced housing stock sales and construction. Our community contacts informed us that due to the overbuilding in the 1980's, Tulsa has in the past experienced an abundance of housing at all price ranges, including affordable housing. However, there has been a trend the last few years of increasing housing costs and decreasing affordable housing inventory. In addition, vacant residential lots have been slow to develop due in part to lack of developers who specialize in affordable housing. As a result of the increasing housing costs, decreasing affordable housing units, and inventory levels, the ability of families living below the poverty level to purchase a home is difficult. The limitations of disposable income for families living below the poverty level negatively affects their ability to qualify for home ownership. One community contact provided us information that showed the median price of home sales has risen from \$85 thousand in March 1998 to \$89 thousand in March 1999. Other pertinent demographic information used in this analysis is discussed under the **Description of Institution** section.

Based on 1990 U.S. Census data, total population of the assessment area is 503,341. The median family income for the assessment area is \$36,156. This compares to the updated HUD MSA median family income at \$41,400.

Nonfarm businesses represent 98 percent (23,765) of total businesses in the assessment area. The majority of these businesses are small, with 72 percent reporting sales of less than \$1 million. There are very few small farms in the assessment area. This is understandable given the fact that Tulsa County is an urbanized area.

A review of peer bank CRA Public Evaluations and community contacts by other regulators in the assessment area, indicates a number of opportunities to participate in community development lending, investment and service activities.

### **Summary of Institution's Operations in the Tulsa Assessment Area**

SNB has two full-service branches located in the city of Tulsa. One is located in a middle-income census tract, while the other is located in an upper-income census tract. Alternative delivery systems include three proprietary full service ATMs, two at the branches and one at the prior branch location. Two of the ATMs are located in upper-income census tracts and one is in a middle-income census tract. Four additional cash dispensing ATMs were acquired in January 1999. These

ATMs are located within Warehouse Market grocery stores and are programmed to accept Access Oklahoma Cards. Access Oklahoma Cards are “money cards” which the State of Oklahoma recently began issuing to persons receiving certain types of state assistance. SNB charges \$1 for each transaction on these ATMs. Three of these ATMs are located in moderate-income census tracts and one is located in a low-income census tract.

This assessment area accounts for approximately 33 percent of SNB’s total deposits and 39 percent of total reported loans during this evaluation period. As of December 31, 1998, the majority of the loans from this assessment area were real estate related. It appears that the Tulsa market will continue to provide significant loan and deposit opportunities to SNB.

**Market Profile for PAYNE COUNTY ASSESSMENT AREA where Full-Scope Procedures were Performed**

Demographic Information for Full-Scope Area: Payne County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	14	7%	7%	29%	57%	0%
Population by Geography	61,507	8%	6%	26%	60%	0%
Owner-Occupied Housing by Geography	13,001	.30%	2%	34%	64%	0%
Businesses by Geography	2,078	2%	16%	39%	43%	0%
Farms by Geography	50	0%	0%	32%	68%	0%
Family Distribution by Income Level	14,454	18%	15%	17%	50%	0%
Distribution of Low- and Moderate-Income Families throughout AA Geographies	4,750	8%	5%	42%	45%	0%

Median Family Income	= \$29,805	Median Housing Value	= \$51,673
HUD Adjusted Median Family Income for 1998	= \$31,100	Unemployment Rate December 1998	= 1.8%
Households Below the Poverty Level	= 24.1%		

Source: 1990 U.S. Census and 1998 HUD updated MFI.

**Description of the Payne County Assessment Area**

Payne County (Stillwater) is not in a Metropolitan Statistical Area (MSA) and is located between the Oklahoma City and Tulsa MSAs. Payne County is the home of Oklahoma State University, the state’s second largest public university. The government sector, which includes Oklahoma State University and Payne County, employ the largest number of individuals. Other top employers include Mercury Marine, World Color Press, Inc., Frontier Engineering, Inc., National Standard and Armstrong World Industries, Inc. Areas of economic strength in 1998 include new job growth and strong real estate construction activity. The primary credit needs of the Stillwater area include financing for start-up businesses, small business and affordable housing and improvement. Farming has been hurt by poor crop production due to drought, and low commodity prices for crops and cattle. Due to the predominant middle and upper income residents and college students, those needing affordable housing are in a fairly limited market. The level of households below the poverty level located in low- and moderate-income geographies are 49% and 50% respectively.

The only low-income BNA located in the assessment area surrounds the Oklahoma State University (OSU) campus to the north and east. This is primarily student housing and includes all of the OSU married student housing. The only moderate-income BNA in the assessment area is located in the middle of the city and is comprised of commercial buildings and residential housing. Three of the four middle-income BNA’s in the assessment area are in the Cushing area in southeastern Payne County, approximately 35 miles from Stillwater. There are a number of local banks in Cushing that can more readily service this area.

Based on 1990 U.S. Census data, total population of the assessment area is 61,507. The median family income for the assessment area is \$29,805. This compares to the state-wide non-MSA HUD updated median family income at \$31,100.

Nonfarm businesses represent 98 percent (2,078) of total businesses in the assessment area. The overwhelming majority of these businesses are small, with 78 percent reporting sales of less than \$1 million.

Community contacts conducted during this evaluation, as well as a review of peer bank CRA Public Evaluations and community contacts conducted by other regulators, indicated that community development opportunities are limited in this assessment area. Other pertinent demographic information used in this analysis is discussed under the **Description of Institution** section.

### **Summary of Institution's Operations in Payne County (Stillwater) Assessment Area**

SNB has one full-service location (main office) and a "Convenience Banking Center" (CBC) both of which are located in the heart of the city of Stillwater. The Convenience Banking Center offers full depository services and mortgage lending services. The main office is located in a middle-income block numbering area (BNA) while the Convenience Banking Center is located in a moderate-income BNA. SNB also operates a business development office on the campus of Oklahoma State University (OSU). This location is an information and business development center and does not solicit deposits, nor provide full-service banking. Alternative delivery systems include seven proprietary full-service ATM locations spread throughout the Stillwater city limits, including one on the OSU campus. Two of the ATMs are located in the low-income BNA, including the one located on the OSU campus; two others located at the CBC are in the moderate-income BNA. Another ATM is located in a middle-income BNA and two are located in upper-income BNA's. These locations are open for depository services 24 hours a day. Additionally, four cash dispensing only ATM's are operated within the Stillwater area, one which is located in a low-income BNA near OSU married student housing, two others are in upper-income BNA's and one is in a middle-income BNA.

This assessment area accounts for approximately 37 percent of SNB's total deposits and 22 percent of total reported loans during this evaluation period. As

of December 31, 1998, a majority portion of the loan portfolio was real estate related.

## Appendix C: Tables of Performance Data

The tables cover the entire CRA evaluation period. References to the “bank” include activities of any affiliates which the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations; market rank is based on the number of loans made by the bank as compared to all other lenders in the MSA/assessment area; and, market share is the number of loans originated by the bank as a percentage of the aggregate number of reportable loans originated by all lenders in the MSA/assessment area. The following is a listing and brief description of the tables included in each set:

**Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated by the bank over the evaluation period by MSA/assessment area.

**Table 2. Geographic Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated 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 market rank and market share information based on the most recent aggregate market data available.

**Table 3. Geographic Distribution of HMDA Home Improvement Loan Originations** - See Table 2.

**Table 4. Geographic Distribution of HMDA Refinance Loan Originations** - See Table 2.

**Table 5. Geographic Distribution of HMDA Multifamily Loan Originations** - See Table 2.

**Table 6. Geographic Distribution of Small Business Loan Originations** - The percentage distribution of the number of small loans (less than \$1 million) to businesses originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those

geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Geographic Distribution of Small Farm Loan Originations** - The percentage distribution of the number of small loans (less than \$500,000) to farms originated by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of HMDA Home Purchase Loan Originations** - Compares the percentage distribution of the number of loans originated by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of HMDA Home Improvement Loan Originations** - See Table 8.
- Table 10. Borrower Distribution of HMDA Refinance Loan Originations** - See Table 8.
- Table 11. Borrower Distribution of Small Business Loan Originations** - Compares the percentage distribution of the number of small loans (less than \$1 million) originated by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Farm Loan Originations** - Compares the percentage distribution of the number of small loans (less than \$500 thousand) originated by the bank to farms with revenues of \$1 million

or less to the percentage distribution of farms with revenues of \$1 million or less. The table also presents the percentage distribution of the number of loans originated by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Distribution of Branch and ATM Delivery System** - Compares the percentage distribution of the number of the bank's retail branches and ATMs in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area.

**Table 1. Lending Volume**

LENDING VOLUME		State: OKLAHOMA				Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998						
MSA/Assessment Area:	% of Total Bank Deposits in Rated Area	Residential		Small Business		Small Farm		Community Development		Total Reported Loans		% of Total Reported Bank Loans in Rated Area
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full-Scope:												
OKLAHOMA COUNTY	25%	581	66,576	723	86,180	6	308	1	9	1,311	153,073	38%
TULSA COUNTY	33%	456	53,127	794	95,846	7	275	1	4,500	1,258	153,748	39%
PAYNE COUNTY-STILLWATER	37%	620	45,486	500	41,077	37	1,284	2	140	1,159	87,987	22%
Limited-Scope:												
GRADY COUNTY-CHICKASHA	5%	42	2,053	13	1,444	8	379	0	0	63	3,876	1%

Source of info: Bank generated data; 1997 Aggregate HMDA and Small Business data.

**Table 2. Geographic Distribution of Home Purchase Loan Originations**

Geographic Distribution: HMDA HOME PURCHASE																	State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans								
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total							
Full-Scope:																							
OKLAHOMA COUNTY	3.60%	0.0%	22.19%	6.5%	44.82%	20.7%	29.39%	72.8%	38	.61	0.00	.20	.45	.95	232	27%							
TULSA COUNTY	3.51%	0.0%	18.78%	3.2%	45.37%	22.2%	32.34%	74.7%	21	1.12	0.00	.46	.55	1.89	284	34%							
PAYNE COUNTY -STILLWATER	.30%	0.3%	2.16%	4.0%	33.54%	12.8%	64.00%	82.9%	1	22.04	100.0	40.0	16.08	22.94	298	35%							
Limited-Scope:																							
GRADY COUNTY-CHICKASHA	3.57%	41.9%	2.25%	0.0%	53.74%	22.6%	40.44%	35.5%	6	4.50	54.2	0	2.99	.44	31	4%							

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 3. Geographic Distribution of Home Improvement Loan Originations**

Geographic Distribution: HOME IMPROVEMENT																State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1997	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
OKLAHOMA COUNTY	3.60%	0.0%	22.19%	2.0%	44.82%	20.0%	29.39%	78.0%	21	1.01	0.0	0.0	.32	2.99	50	29%			
TULSA COUNTY	3.51%	0.0%	18.78%	3.13%	45.37%	37.50%	32.34%	59.38%	22	.866	.00	.24	.81	1.22	32	19%			
PAYNE COUNTY-STILLWATER	.30%	1.15%	2.16%	10.34%	33.54%	21.84%	64.00%	66.67%	1	38.79	50.0	100.0	20.0	41.77	87	51%			
Limited-Scope:																			
GRADY COUNTY-CHICKASHA	3.57%	0.0%	2.25%	0%	53.74%	0%	40.44%	100.0%	NA	NA	NA	NA	NA	NA	3	2%			

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loan Originations**

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total				
Full-Scope:																				
OKLAHOMA COUNTY	3.60%	0.0%	22.19%	6.4%	44.82%	17.6%	29.39%	76.0%	32	.97	0	.90	.58	1.40	296	45%				
TULSA COUNTY	3.51%	0.0%	18.78%	8.0%	45.37%	18.3%	32.34%	73.7%	42	.72	0	.90	.27	1.13	137	20%				
PAYNE COUNTY-(STILLWATER	.30%	0.5%	2.16%	1.4%	33.54%	15.7%	64.00%	82.5%	1	19.03	0	50.0	15.19	19.48	223	34%				
Limited-Scope:																				
GRADY COUNTY-CHICKASHA	3.57%	0.0%	2.25%	0.0%	53.74%	50.0%	40.44%	50.0%	NA	NA	NA	NA	NA	NA	8	1%				

(\*) Based on 1997 Aggregate HMDA Data only.

**Table 5. Geographic Distribution of Multifamily Loan Originations**

Geographic Distribution: MULTIFAMILY State: OKLAHOMA Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Multifamily Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
OKLAHOMA COUNTY	3.60%	0.0%	22.19%	33.3%	44.82%	66.7%	29.39%	0.0%	5	2.50	0.0	0.0	5.56	0.0	3	15%
TULSA COUNTY	3.51%	0.0%	18.78%	50.0%	45.37%	50.0%	32.34%	0.0%	5	3.39	0.0	0.0	7.69	0.0	4	20%
PAYNE COUNTY-STILLWATER	.30%	0.0%	2.16%	30.8%	33.54%	15.4%	64.00%	53.9%	1	54.5	0.0	50.0	50.0	60.0	13	65%
Limited-Scope:																
GRADY COUNTY-CHICKASHA	3.57%	0.0%	2.25%	0.0%	53.74%	0.0%	40.44%	0.0%	NA	NA	NA	NA	NA	NA	0	0%

(\*) Based on 1997 Aggregate HMDA Data only.  
 NA: Not Applicable

**Table 6. Geographic Distribution of Small Business Loan Originations**

Geographic Distribution: SMALL BUSINESS																	State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans								
	% of Business	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total							
Full-Scope:																							
OKLAHOMA COUNTY	7.4%	4.37%	25.4%	14.37%	39.5%	33.52%	23.8%	47.75%	9	5.29	3.02	3.97	4.80	7.71	710	35%							
TULSA COUNTY	3.6%	3.64%	25.1%	16.33%	41.5%	52.39%	29.9%	27.64%	7	6.56	11.4	5.68	8.79	4.41	796	39%							
PAYNE COUNTY-STILLWATER	1.6%	0.6%	16.2%	11.00%	38.9%	17.80%	43.3%	70.60%	1	43.55	14.3	34.38	35.24	48.3	500	25%							
Limited-Scope:																							
GRADY COUNTY-CHICKASHA	5.7%	0.0%	2.9%	0.0%	54.0%	84.62%	37.4%	15.38%	6	5.88	0.0	0.0	10.71	0	13	1%							

(\*) Based on 1997 Aggregate Small Business Data only.

**Table 7. Geographic Distribution of Small Farm Loan Originations**

Geographic Distribution: SMALL FARM      State: OKLAHOMA      Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total
Full-Scope:																
OKLAHOMA COUNTY	4.0%	0.0%	19.6%	0.0%	45.1%	0.0%	30.2%	100.0%	2	10.0	0.0	0.0	0.0	31.6	6	10%
TULSA COUNTY	4.2%	0.0%	16.2%	0.0%	47.8%	85.7%	31.8%	14.3%	2	18.75	0.0	0.0	29.41	8.33	7	12%
PAYNE COUNTY-STILLWATER	0.0%	2.7%	0.0%	0.0%	32.0%	27.0%	68.0%	70.3%	2	14.66	100	0.0	27.27	10.8	37	64%
Limited-Scope:																
GRADY COUNTY-CHICKASHA	0.0%	0.0%	0.0%	0.0%	58.3%	37.5%	41.7%	62.5%	3	13.33	0.0	0.0	8.11	37.5	8	14%

(\* ) Based on 1997 Aggregate Small Farm Data only.

**Table 8. Borrower Distribution of Home Purchase Loan Originations**

Borrower Distribution: HMDA HOME PURCHASE																	State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Purchase Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total							
Full-Scope:																							
OKLAHOMA COUNTY	21.0%	1.0%	18.3%	4.4%	22.1%	8.8%	38.6%	85.8%	35	.61	0	.11	.11	1.70	232	27%							
TULSA COUNTY	19.6%	4.0%	17.1%	8.4%	21.4%	13.6%	41.9%	74.0%	18	1.12	1.22	.46	.52	2.07	284	34%							
PAYNE COUNTY-STILLWATER	17.9%	4.1%	15.0%	6.6%	17.4%	18.5%	49.8%	70.8%	1	22.04	25.0	16.9	24.19	27.13	298	35%							
Limited-Scope:																							
GRADY COUNTY-CHICKASHA	20.0%	0.0%	15.7%	10.3%	19.5%	10.3%	44.8%	79.4%	6	4.50	0	4.35	2.27	8.67	31	4%							

(\*) As a percentage of loans with borrower income information available. No information was available for 8% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 9. Borrower Distribution of Home Improvement Loan Originations**

Borrower Distribution: HMDA HOME IMPROVEMENT																	State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total							
Full-Scope:																							
OKLAHOMA COUNTY	21.0%	2.1%	18.3%	6.3%	22.1%	8.3%	38.6%	83.3%	21	1.01	.33	.52	.32	2.40	50	29%							
TULSA COUNTY	19.6%	0.0%	17.1%	13.3%	21.4%	10.0%	41.9%	76.7%	22	.86	0.0	.74	.47	1.15	32	19%							
PAYNE COUNTY-STILLWATER	17.9%	7.3%	15.0%	19.5%	17.4%	28.1%	49.8%	45.1%	1	38.79	18.2	41.7	60.0	31.2	87	51%							
Limited-Scope:																							
GRADY COUNTY-CHICKASHA	20.0%	0.0%	15.7%	50.0%	19.5%	50.0%	44.8%	0.0%	NA	NA	NA	NA	NA	NA	3	1%							

(\*) As a percentage of loans with borrower income information available. No information was available for 6% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loan Originations**

Borrower Distribution: HMDA MORTGAGE REFINANCE																State: OKLAHOMA		Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998	
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank*	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans				
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total			
Full-Scope:																			
OKLAHOMA COUNTY	21.0%	1.1%	18.3%	5.5%	22.1%	12.5%	38.6%	80.9%	30	.97	.32	.28	1.42	1.54	296	44%			
TULSA COUNTY	19.6%	0.7%	17.1%	5.9%	21.4%	13.2%	41.9%	80.2%	31	.72	.39	.81	.62	1.07	137	21%			
PAYNE COUNTY-STILLWATER	17.9%	3.7%	15.0%	7.3%	17.4%	12.3%	49.8%	76.7%	1	19.03	30.7	20.5	21.9	23.1	223	34%			
Limited-Scope:																			
GRADY COUNTY-CHICKASHA	20.0%	0.0%	15.7%	25.0%	19.5%	25.0%	44.8%	50.0%	NA	NA	NA	NA	NA	NA	8	1%			

(\*) As a percentage of loans with borrower income information available. No information was available for 4% of loans originated by BANK.

(\*\*) Based on 1997 Aggregate HMDA Data only.

**Table 11. Borrower Distribution of Small Business Loan Originations**

Borrower Distribution: SMALL BUSINESS      State: OKLAHOMA      Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998											
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Business Loans		
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or less	\$100,000 to \$250,000	> 250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
OKLAHOMA COUNTY	89%	68%	58%	68.74	20.33	10.93	5.29	5.12	723	35%	\$105M
TULSA COUNTY	88%	61%	54%	69.77	15.99	14.23	6.56	6.64	794	38%	\$95M
PAYNE COUNTY-STILLWATER	93%	80%	63%	80.40	12.20	7.40	43.55	46.15	500	25%	\$44M
Limited-Scope:											
GRADY COUNTY-CHICKASHA	92%	20%	60%	76.92	15.38	7.69	5.88	1.14	13	1%	\$181M

(\*) As a percentage of businesses with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 3% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Business reporters in BANK's assessment area and is based on 1997 Aggregate Small Business Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Business Data only.

**Table 12. Borrower Distribution of Small Farm Loan Originations**

Borrower Distribution: SMALL FARM      State: OKLAHOMA      Evaluation Period: JANUARY 1, 1997 TO DECEMBER 31, 1998											
MSA/Assessment Area:	Farms with Revenues of \$1 million or less			Loans by Original Amount Regardless of Farm Size			Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or less	\$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total	Avg Loan Size
Full-Scope:											
OKLAHOMA COUNTY	97%	33%	80%	83.33	16.67	0.0	10.0	4.44	6	10%	\$29M
TULSA COUNTY	98%	71%	92%	85.71	14.29	0.0	18.75	14.29	7	12%	\$20M
PAYNE COUNTY-STILLWATER	100%	89%	95%	89.19	10.81	0.0	14.66	12.15	37	64%	\$29M
Limited-Scope:											
GRADY COUNTY-CHICKASHA	97%	29%	79%	87.50	12.50	0.0	13.33	3.13	8	14%	\$55M

(\*) As a percentage of farms with known revenues.

(\*\*) As a percentage of loans with revenue information available. No information was available for 3% of loans originated by BANK.

(\*\*\*) The market consists of all other Small Farm reporters in BANK's assessment area and is based on 1997 Aggregate Small Farm Data only.

(\*\*\*\*) Based on 1997 Aggregate Small Farm Data only.

**Table 13. Distribution of Branch and ATM Delivery System**

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM				State: OKLAHOMA				Evaluation Period: MARCH 24, 1997 TO MARCH 8, 1999									
MSA/Assessment Area:	Deposits	Branches				ATMs				Population							
	% of Total BANK Deposits	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
OKLAHOMA COUNTY	25%	1	17%	0	0	0	1	3*	14%	0	0	0	2	6%	26%	42%	26%
TULSA COUNTY	33%	2	33%	0	0	1	1	7	32%	1	3	1	2	6%	21%	44%	29%
PAYNE COUNTY-STILLWATER	37%	2	33%	0	1	1	0	11	50%	3	2	2	4	8%	6%	26%	60%
Limited-Scope:																	
GRADY COUNTY-CHICKASHA	5%	1	17%	0	0	1	0	1	5%	0	0	1	0	4%	2%	54%	40%

\*One ATM operated in downtown Oklahoma City is located in an undesignated census tract

\*\*An additional fourteen (14) nonproprietary cash dispensing ATM's are operated within the bank's assessment area. These ATM's are owned by the bank's subsidiary, Cash Services Inc., but are serviced by the bank. These ATM's do not post the bank's name and charge a \$1.00 usage fee for each withdrawal. These ATM's are not listed above.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS												State: OKLAHOMA	Evaluation Period: MARCH 24, 1997 TO MARCH 8, 1999
MSA/Assessment Areas:	Affordable Housing		Community Service		Economic Development/ Small Business		Revitalize or Stabilize		Total Investments				
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s		
Full-Scope:													
OKLAHOMA COUNTY	4	4	5	919	0	0	0	0	9	923	98%		
TULSA COUNTY	1	.5	6	11	0	0	0	0	7	12	1%		
PAYNE COUNTY-STILLWATER	0	0	6	4	0	0	0	0	6	4	1%		
Limited-Scope:													
GRADY COUNTY-CHICKASHA									1	----	----		