



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

August 13, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First National Bank & Trust
Charter Number 9952

2714 West Third Street
Elk City, OK 73644-4320

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

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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

The Lending Test is rated: **Satisfactory**.

The Community Development Test is rated: **Satisfactory**.

The major factors that support this rating include the following:

- The First National Bank and Trust's (FNB) loan-to-deposit (LTD) ratio is reasonable and meets the standard for satisfactory performance.
- A substantial majority of the bank's loans are originated within the assessment area (AA).
- The bank's distribution of loans reflects a reasonable penetration to businesses and farms of different income levels and meets the standard for satisfactory performance.
- FNB's level of community development (CD) activities demonstrates reasonable responsiveness to the AA served. CD activities were focused on providing affordable housing and creating low- to moderate-income (LMI) jobs.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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 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, home equity 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 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/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. 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 it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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 One 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.

Description of Institution

FNB is a community bank located in Elk City, OK. FNB is wholly owned by Western Oklahoma Financial Services, Inc., a one-bank holding company. The bank's main office and drive-through facility, which includes an ATM, is located at 2714 West 3rd Street, Elk City, OK. A limited service paying and receiving facility is located in downtown Elk City at 102 S. Main, Elk City, OK, primarily for the convenience of retail deposit customers. Another ATM is located at the Great Plains Regional Medical Center, 3rd & Lincoln, Elk City, OK. In addition, a full service branch facility and ATM are located at 711 N.E. Highway 66, Sayre, OK; and an ATM is located at the Sayre Memorial Hospital, 911 Hospital Drive Sayre, OK. No branch or ATM locations have been opened or closed since the prior CRA examination.

Management and the board's primary business strategy is to serve commercial, agricultural, home loan, and other consumer customers in the Elk City and Sayre communities. The bank meets their customer's needs by providing traditional loan and deposit products and services, as well as some Internet Banking, mobile banking, and Trust services. Bank lobby services are provided Monday through Friday at all locations. The main bank location in Elk City also has Saturday lobby and drive-through hours. The ability to lend in their AA continues to be impacted by strong competition from a number of financial institutions and branches of larger financial institutions.

As of December 31, 2017, FNB had total assets of \$314 million. Total loans were \$187 million. FNB's loan portfolio composition is depicted in the following table:

Loan Portfolio Composition as of December 31, 2017		
Loan Category	\$ (000)	%
Business Loans & Related Real Estate	\$81,224	43.4%
Agricultural Loans & Related Real Estate	\$54,001	28.8%
Residential	\$46,119	24.6%
Individual	\$3,017	1.6%
Other	\$2,865	1.5%

Source: 12/31/17 Call Report Schedule RC-C

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank is well capitalized. A **Satisfactory** rating was assigned at the last Community Reinvestment Act review, which was performed as of February 23, 2015.

Scope of the Evaluation

Evaluation Period/Products Evaluated

We evaluated FNB using the Intermediate Small Bank (ISB) CRA procedures, which comprises the Lending Test and the CD Test. The evaluation period covered the period

of 2015, 2016 and 2017. The Lending Test review focused on the bank's primary loan products, which are small business loans and small farm loans. The review included an evaluation of the bank's performance in the bank's single AA identified as Beckham County in its entirety and one CT in Washita County. This Performance Evaluation is based on 2010 U.S. Census demographic information and certain information updated by the 2015 American Community Survey (ACS). Lending in 2015 and 2016 was compared to 2010 U.S. Census data and lending in 2017 was compared to updated ACS data. For the CD Test, we tested the CD loans, investments, and services submitted by management for review.

Data Integrity

A Data Integrity examination was conducted February 13, 2018. Because FNB is not a HMDA reporter, our focus was to review the level of the bank's CD activities and to ensure that the activities met the definition of the regulation.

Selection of Areas for Full-Scope Review

FNB's single AA identified as all of Beckman County and one census tract (CT) in Washita County received a full-scope review. Refer to the table in Appendix A for more information.

Ratings

The bank's overall rating is based on the full-scope review of the AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §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 assessment area 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 Consumer Financial Protection Bureau, 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 performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Conclusions with Respect to Performance Tests

LENDING TEST

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

This evaluation assesses FNB's performance focusing primarily on five performance criteria: the LTD ratio; lending in the AA; lending to borrowers of different incomes and to businesses of different sizes; geographic distribution of loans; and responses to CRA related complaints. Since FNB's AA does not include any low- or moderate-income CTs, a geographic distribution of loans within the AA would not be meaningful and was not performed. Additionally, lending to consumer borrowers of different incomes is not evaluated given FNB's two primary loan products are farm and business related loans.

To assess FNB's lending performance, the major loan products offered by the bank were evaluated. A random sample of 31 farm loans and 35 business loans originated during 2015 and 2016 were evaluated. Additionally, a random sample of 35 farm loans and 32 business loans originated during 2017 were evaluated. Based on the analysis and consistent with available resources and capabilities, FNB is meeting the credit needs of the AA in a satisfactory manner.

FNB's LTD ratio is considered reasonable. A substantial majority of the loans sampled were originated in the bank's AA. The overall distribution of loans in FNB's AA indicates

reasonable penetration to borrowers of different incomes and to businesses of different sizes

Loan-to-Deposit Ratio

FNB's LTD ratio is reasonable and meets the standard for satisfactory performance. The average quarterly LTD ratio for the period March 2015 to December 2017 is 68 percent. This average was compared to the average of three similar banks located in FNB's AA or the surrounding areas for the same time period. FNB's average LTD ratio is lower, but compares reasonably with that of the three comparable banks. These three institutions each have larger and more diversified AA's than FNB. Additionally, FNB has a conservative lending culture. Refer to the following table for a comparison of FNB's average LTD ratio to the average of three similarly situated banks.

Loan-To-Deposit Ratios		
Institution	Total Assets \$000's (As of 12/31/17)	Average Loan to Deposit Ratio
First National Bank & Trust, Elk City, Oklahoma	\$314,459	67.63%
Legacy Bank, Hinton, Oklahoma	\$457,324	86.62%
Bank of Western Oklahoma, Elk City, Oklahoma	\$262,308	91.46%
Great Plains National Bank, Elk City, Oklahoma	\$629,025	103.32%

Source: Institution Reports of Condition from March 31, 2015 to December 31, 2017.

Lending in Assessment Area

FNB's lending in their AA is outstanding and exceeds the standard for satisfactory performance. A substantial majority of the number and the dollar amount of business and farm loans were originated in FNB's AA. This conclusion is based on a random sample of 67 business loans and 66 farm loans that were originated in 2015, 2016 and 2017. The following table depicts FNB's lending in their AA during this time period:

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		
	#	%	#	%		\$	%	\$	%	
Business	58	87	9	13	67	3,969	81	936	19	4,905
Farm	57	86	9	14	66	5,176	91	537	9	5,713
Total	115	86	18	14	133	9,145	86	1,473	14	10,618

Source: Evaluation Period: 1/1/2015 - 12/31/2017 Bank Data
Due to rounding, totals may not equal 100.0

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

The overall distribution of loans in FNB's AA indicates reasonable penetration to farms and businesses of different sizes and meets the standard for satisfactory performance. FNB's lending to small farms reflects reasonable penetration and lending to small businesses reflects excellent penetration. Less weight was given to the small business data due to a large amount of businesses in the AA not disclosing revenue figures.

FNB's distribution to agricultural operations of different sizes reflects reasonable penetration and meets the standard of satisfactory performance for both 2015-2016 and 2017. All sampled agricultural loans originated or purchased were to small operations with annual gross revenues of less than \$1 million. This is in line with the demographic data for both 2015 and 2017. In 2015, 98 percent of farms in the AA reported revenues less than \$1 million. In 2017, 96 percent of farms in the AA reported revenues less than \$1 million. Refer to Table T in Appendix C.

FNB's distribution of loans to businesses of different sizes reflects excellent penetration and exceeds the standard for both 2015 and 2017. The percentage of loans originated to small business with annual gross revenues of less than \$1 million exceeds the percentage of businesses with revenues less than \$1 million located in the AA. However, a large number of businesses in the AA did not report revenues. In 2015, 23 percent of the businesses in the AA did not report revenue data. In 2017, 16 percent of the businesses in the AA did not report revenue data. Refer to Table R in Appendix C.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans sampled would not be meaningful since there are no low- or moderate-income CTs in FNB's AA.

Responses to Complaints

There have been no consumer complaints pertaining to FNB's CRA performance during this evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the CD Test is rated **Satisfactory**. FNB's CD performance demonstrates adequate responsiveness to the CD needs of its AA.

Opportunities for qualified CD loans and investments are limited in the bank's AA. A majority of the AA is comprised of rural, low-density areas. The largest city in the AA is Elk City, which has an estimated population of 12,000. Currently, there are no major CD projects underway in the AA.

FNB is active in the communities they serve. This is evidenced by their leadership roles on various civic and non-profit organizations that provide services to low- and moderate-income individuals. The bank is also involved with, invests in, or lends to organizations whose focus is on community or economic development. FNB has extended a loan and made an investment related to the construction of a new school in Elk City.

Number and Amount of Community Development Loans

Qualifying community development loans are those that meet the definition of community development, as defined in the CRA regulations. The bank has originated or renewed 124 loans totaling \$15.1 million that qualify as community development loans during the evaluation period.

Fifty-one loans to fifteen different borrowers totaling \$6.5 million were extended to various borrowers to purchase, renovate, or operate businesses in the AA. A few of the businesses included convenience stores, restaurants, butcher shop, body shop, and sod farm. All of the loans contributed to economic development by creating and retaining permanent LMI jobs in the bank's AA.

The bank originated one loan for \$3 million that provided a portion of the funding for the construction of water, sewer, and drainage and street improvements for a new elementary school. Over 50 percent of the students in the school district qualify for the free or reduced school lunch program.

During the evaluation period, FNB extended or renewed sixty-four loans to ten different borrowers who own and rent affordable houses. Loans were to purchase, renovate, and construct single-family residences and duplexes in Elk City and the surrounding areas. All of the homes rent for rates that are below the fair market rents in the area, thus providing housing for LMI individuals.

The bank originated nine affordable housing loans in the AA totaling \$383 thousand. These loans financed the purchase of nine single-family homes in the Elk City, Sayre, and surrounding areas. Monthly payment and utilities charged for these properties was found to be affordable at less than 30 percent of the Median Family Income. Note that the single-family homes are technically HMDA reportable loans; however, the bank is not a HMDA reporter.

Number and Amount of Qualified Investments

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose CD, as defined in the CRA regulations. Although opportunities for qualified CD investments are limited in the bank's AA, the level of CD investments, including donations, reflects adequate responsiveness to the needs of the bank's AA. The bank investment and donations totaled slightly greater than \$1 million.

During the evaluation period, the bank invested in one qualified school bond, totaling \$1 million that will be used to construct, equip, and furnish Phase I of a new elementary school facility. The bond was issued by Beckham County ISD, where the majority of the student's parents have incomes less than 80 percent of the area's medium income and are eligible for the free and/or reduced lunch program.

The bank made a total of 33 qualified donations totaling \$43 thousand during the evaluation period. Donations were made to local nonprofit organizations, youth programs, civic groups, and the local hospital that provide various services that are targeted to LMI individuals. Some of the programs were for at-risk youth and teens, to purchase health equipment, pay medical and living expenses, school supplies, and to retain and attract retail businesses.

Extent to Which the Bank Provides Community Development Services

The level of qualified CD services reflects adequate responsiveness to the needs of the bank's AA. Four of the bank's officers served in leadership positions with seven different organizations that support economic development or provide community services benefiting LMI persons. The following are examples of qualifying CD services.

- **Chamber of Commerce:** Bank officers are active in taking leadership positions in the Elk City Chamber of Commerce. Bank officers have served as board members and officers on the Elk City Tourism and Executive Committees of the Chamber. They provide technical expertise through their involvement with planning, budgeting, and financing activities. The Chamber is active with regard to economic development and the retention and recruiting of new businesses within Elk City.
- **Elk City Housing Authority:** A bank officer serves as the Chairman of this organization. The Housing Authority's mission is to subsidize housing for the low-income, elderly citizens of the community. This organization also houses the Literacy and Meals-on-Wheels programs.
- **Elk City Educational Foundation:** A bank officer serves as the President and another as a member of this non-profit organization whose primary objective is to provide teachers, through an application process, with materials and supplies that the school is unable to afford.
- **Great Plains Regional Medical Center Foundation:** A bank officer serves as Chairman of this foundation whose mission is to support the local hospital and raise funds for the future capital projects.
- **Western Oklahoma Family Care Center:** A bank officer serves as Chairman of this organization whose primary objective is to provide qualifying low-income individuals with financial assistance for dental, medical, utility, and food expenses. They also provide counseling on financial budgeting.

Responsiveness to Community Development Needs

Overall, FNB has demonstrated adequate responsiveness to the needs and opportunities in their AA. The level of CD activities is satisfactory with \$15.1 million in qualified loans and \$1 million in qualified investments and donations. Bank officers have taken on leadership positions with local organizations that provide community services to LMI persons and promote economic development within the bank's AAs.

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 metropolitan and nonmetropolitan areas 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”).

Time Period Reviewed	Lending Test (excludes CD loans): (01/01/15 to 12/31/17) Investment and Service Tests and CD Loans: (01/01/15 to 12/31/17)	
Financial Institution	Products Reviewed	
First National Bank & Trust, Elk City, Oklahoma	Small Business Small Farm	
Affiliate(s)	Affiliate Relationship	Products Reviewed
<i>[Instructions: Provide only if affiliate products are reviewed.]</i> (Name of Affiliate (Abbreviation))	N/A	
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Oklahoma Oklahoma non-MSA	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Oklahoma Non-MSA AA

The AA adopted by FNB consists of whole geographies; do not reflect illegal discrimination; and, do not arbitrarily exclude low- or moderate-income geographies. The AA meets the requirements of the CRA regulation.

The AA includes all four CTs in Beckham County and one CT in Washita County. Three of the four CTs in Beckham County are middle-income CTs and one is an upper-income CT. The one CT in Washita County is middle-income. Both of the bank's branches are located in Beckham County. The bank's facilities in Elk City are located in an upper-income CT and the Sayre facilities are located in a middle-income CT.

The following table describes major demographic and economic characteristics of the AA, based on 2010 U.S. Census data. This information was used to analyze 2015 and 2016 loan data.

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB Beckham-Washita AA, 2010 Census						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	80.0	20.0	0.0
Population by Geography	26,137	0.0	0.0	73.3	26.7	0.0
Housing Units by Geography	11,367	0.0	0.0	76.2	23.8	0.0
Owner-Occupied Units by Geography	6,043	0.0	0.0	74.3	25.7	0.0
Occupied Rental Units by Geography	3,205	0.0	0.0	80.7	19.3	0.0
Vacant Units by Geography	2,119	0.0	0.0	74.9	25.1	0.0
Businesses by Geography	2,011	0.0	0.0	100.0	0.0	0.0
Farms by Geography	137	0.0	0.0	100.0	0.0	0.0
Family Distribution by Income Level	6,056	21.4	16.0	18.4	44.2	0.0
Household Distribution by Income Level	9,248	21.7	13.2	17.9	47.2	0.0
Median Family Income Non-MSAs - OK		\$47,749	Median Housing Value			\$86,697
			Median Gross Rent			\$616
			Families Below Poverty Level			13.9%

Source: 2010 U.S. Census and 2016 D&B Data
 Due to rounding, totals may not equal 100.0
 (*) The NA category consists of geographies that have not been assigned an income classification.

The following table describes major demographic and economic characteristics of the AA, based on 2015 American Community Survey (ACS) data. ACS is a nationwide survey conducted by the U.S. Census Bureau that updates the decennial census to provide communities with more current and accurate demographic, social, economic, and housing data. The updated information reflects that one of the middle-income CT in Beckham County is now an upper-income CT. As a result of this change, the Sayre facilities are now located in an upper-income CT. This updated information was used to analyze 2017 loan data.

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB Beckham-Washita AA, 2015 ACS						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	60.0	40.0	0.0
Population by Geography	27,372	0.0	0.0	51.3	48.7	0.0
Housing Units by Geography	11,640	0.0	0.0	52.6	47.4	0.0
Owner-Occupied Units by Geography	5,728	0.0	0.0	53.0	47.0	0.0
Occupied Rental Units by Geography	3,348	0.0	0.0	52.8	47.2	0.0
Vacant Units by Geography	2,564	0.0	0.0	51.8	48.2	0.0
Businesses by Geography	1,966	0.0	0.0	55.2	44.8	0.0
Farms by Geography	125	0.0	0.0	48.8	51.2	0.0
Family Distribution by Income Level	6,316	22.1	15.1	12.1	50.7	0.0
Household Distribution by Income Level	9,076	18.2	17.4	15.5	48.9	0.0
Median Family Income Non-MSAs - OK		\$51,698	Median Housing Value			\$114,640
			Median Gross Rent			\$677
			Families Below Poverty Level			10.3%
<i>Source: 2015 ACS Census and 2017 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>						

The economy in western Oklahoma is primarily driven by oil and gas production and the agricultural industry. The economy has been negatively impacted by low energy and agricultural commodity prices. Energy prices, while low, have stabilized in the last year allowing for an economic recovery. The economic recovery in Beckham County is reflected in the current unemployment rate of 2.8 percent at July 2018, compared to the 8.2 percent in May 2016.

Local banking competition within the AA is aggressive and includes several community, regional, and national banks and branches of these financial institutions. Major employers include Great Plains Regional Hospital in Elk City and Sayre Memorial Hospital in Sayre, Elk City Public Schools, Wal-Mart, Bar-S Foods, and the City of Elk City.

In conducting the assessment of the bank's performance, a community contact was made within FNB's AA. The contact indicated that the local financial institutions are involved in the local community and are meeting the credit needs of the community. The contact did not know of any specific credit needs in the AA.

Appendix C: Tables of Performance Data

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015 - 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 AA	28	2,324	100	438	72.3	90.3	30.6	4.4	9.7	23.3	0.0	
Total	28	2,324	100	438	72.3	90.3	30.6	4.4	9.7	23.3	0.0	
<i>Source: 2015 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2015 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	
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 AA	23	1,011	100	438	77.7	85.2	30.6	6.3	14.8	16.1	0.0	
Total	23	1,011	100	438	77.7	85.2	30.6	6.3	14.8	16.1	0.0	
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2015 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2015 – 2016

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
FNB AA	27	3,088	100	100	98.2	100	67.0	1.2	0.0	0.6	0.0
Total	27	3,088	100	100	98.2	100	67.0	1.2	0.0	0.6	0.0

Source: 2015 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2015 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues 2017

Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
FNB AA	30	2,088	100	100	96.8	100	67.0	2.4	0.0	0.8	0.0
Total	30	2,088	100	100	96.8	100	67.0	2.4	0.0	0.8	0.0

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2015 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0