



PUBLIC DISCLOSURE

July 30, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank and Trust Company of Okmulgee
Charter Number 11001

610 East 8th Street
Okmulgee, Oklahoma 74447

Office of the Comptroller of the Currency
Tulsa Field Office
8282 South Memorial Drive, Suite 300
Tulsa, Oklahoma 74133

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

This institution is rated Satisfactory.
The Lending Test is rated: Satisfactory.

The First National Bank and Trust Company of Okmulgee (FNB&T) has a **satisfactory** record of meeting the credit needs of the community.

- FNB&T's quarterly loan-to-deposit (LTD) ratio is reasonable based on the bank's performance context and lending opportunities within its assessment areas (AA).
- A substantial majority of loans were originated in the bank's AAs.
- The penetration of loans to individuals and businesses of different income levels is reasonable and meets the standard for satisfactory performance.
- The overall geographic distribution of loans reflects excellent dispersion in the moderate-income census tracts (CTs). There are no low-income CTs in the bank's AAs.

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/AA.

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 AA(s) or outside the AA(s) provided the bank has adequately addressed the community development needs of its AA(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/AA.

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&T is a \$262 million rural community bank located in Okmulgee, Oklahoma. First Okmulgee Corporation, a one-bank holding company, owns 100 percent of FNB&T. First Okmulgee Corporation also owns 85 percent of Fansher, Stone, and Hess Insurance Agency. FNB&T operates from its main banking location at 610 East 8th Street, Okmulgee, Oklahoma, which is located in Okmulgee County and a middle-income census tract. The holding company and insurance agency also have offices at the main bank location.

Since the last Performance Evaluation, FNB&T acquired First National Bank of Wewoka located in Wewoka, Oklahoma. First National Bank of Wewoka was located in Seminole County. The consolidation occurred on August 11, 2014 and the institution became a branch of FNB&T. Total deposits and loans acquired totaled \$38.9 million and \$13.3 million, respectively. Due to this transaction, FNB&T's number of AAs increased from one to two. Designated AAs include Okmulgee County and Seminole County.

The bank operates three branches within the two AAs. For the Okmulgee County AA, there is a branch located in the local Wal-Mart in Okmulgee and a branch office in Henryetta, Oklahoma. The third branch is within the Seminole County AA and is located in Wewoka, Oklahoma. Drive-thru facilities are located at the main bank in Okmulgee and branch locations in Henryetta and Wewoka. FNB&T offers a diverse line of loan and deposit services during reasonable hours, Monday through Saturday. FNB&T also offers banking services by telephone and the internet. The bank offers Automated Teller Machines (ATMs) at the main office and all branch locations. Additionally, there are three other ATMs located in Wewoka and one ATM located in Okmulgee. Based on the June 30, 2017 Federal Deposit Insurance Corporation (FDIC) Market Share Report, the bank's presence in the Okmulgee County AA is significant, as they have 51 percent of the deposit market share in this AA. The FDIC report also discloses that the bank has 9 percent of the deposit market share in the Seminole County AA. The low market share in the Seminole County AA is due to the bank only having one branch location in this area.

Over recent years, the bank's lending strategy continues to be centered in the areas of commercial/business and residential lending. FNB&T offers a variety of loan and deposit products to meet community needs and achieve the bank's overall business strategy. In addition to providing traditional loan and deposit products and services, FNB&T also offers Automated Telephone Banking, Mobile Banking, and Internet Banking. The table below reflects the composition of the bank's loan portfolio as of December 31, 2017, which represents approximately 52 percent of total assets. Management does not anticipate any significant changes in the composition of the loan portfolio in the near future.

Loan Category	Dollars \$(000)	% of Portfolio
Commercial Real Estate	53,440	39%
Residential Real Estate	35,731	26%
Commercial and Industrial	28,877	20%
Farm Real Estate	9,120	7%
Consumer	7,636	6%
Other Loans	2,275	2%
TOTAL	137,079	100%

Source: December 31, 2017 Consolidated Reports of Condition and Income

There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its AAs. A CRA Performance Evaluation was last prepared as of May 8, 2014, and the bank received an overall rating of “**Satisfactory.**”

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a full-scope review of FNB&T’s CRA activities in its AAs under the Small Bank CRA procedures, which only included review of the Lending Test. The Lending Test evaluates the bank’s record of meeting the credit needs of the bank’s AAs through its lending activities inside/outside the AAs, to small businesses and borrowers with gross operating revenues above and below \$1 million, and penetrations within various income tract levels. The review includes a separate analysis for each of the two defined AAs. The Okmulgee County AA is located in a metropolitan statistical area (MSA), whereas the Seminole County AA is not in an MSA.

FNB&T’s primary lending products are home mortgages and loans to commercial businesses. Conclusions regarding the Lending Test are based on random samples of commercial business loans and an analysis of Home Mortgage Disclosure Act (HMDA) reportable loans. These lending products originated from January 1, 2015 through December 31, 2017.

Data Integrity

Prior to this CRA performance evaluation, we verified the accuracy of the data available to the public in accordance with the HMDA regulation. A CRA Data Integrity examination was conducted in June 2018 to evaluate the bank’s process to accurately collect and report HMDA loan data. We found the bank had a good process and effective internal controls to accurately collect and report HMDA information. As a result, we relied on filed HMDA data during this CRA review to assess residential real estate lending performance.

Selection of Areas for Full-Scope Review

The Okmulgee County and Seminole County AAs will receive a full-scope review. There are no limited-scope review areas.

Ratings

The bank has two defined AAs, Okmulgee County and Seminole County. FNB&T's overall rating is based solely on the full-scope review of both AAs. Both AAs were given equal weight in the overall rating.

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 AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the 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 assessment is based on HMDA data for residential lending and a sampling of commercial business loans that originated from January 1, 2015 through December 31, 2017.

Loan-to-Deposit Ratio

The bank has a **reasonable** LTD ratio relative to their financial condition, local banking competition, and credit needs of the AAs. Since the previous CRA Performance Evaluation, the bank's quarterly LTD ratio averaged 61 percent. As detailed in the table below, we compared the bank's average LTD ratio to three competing institutions within or near the AAs during the same period. The aggregate average LTD for competing banks was 68 percent, with a low average of 43 percent and a high average of 82 percent.

Institution	Total Assets (as of March 31, 2018)	Average LTD Ratio
The First National Bank & Trust Company of Okmulgee	\$266 Million	61%
Security State Bank of Oklahoma-Wewoka	\$228 Million	82%
First National Bank and Trust Company-Shawnee	\$218 Million	43%
American Exchange Bank-Henryetta	\$66 Million	80%

Source: March 31, 2018 Consolidated Reports of Condition and Income; Uniform Bank Performance Report

Lending in Assessment Area

Based on our sample of lending during the evaluation period of January 2015 through December 2017, FNB&T exceeds the standard for lending within its AAs. Our analysis consisted of 631 HMDA residential real estate loans and a random sample of 80 business loans. Based upon the combined loan samples, a **substantial majority** of the number and dollar volume of loans originated inside FNB&T's AAs. The number of loans originated in the AAs was 80 percent, while the dollar volume was 59 percent.

Table E - Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	509	80.67	122	19.33	631	22,285	58.57	15,766	41.43	38,051
Small Business	63	78.75	17	21.25	80	6,130	63.32	3,551	36.68	9,681
Total	572	80.45	139	19.55	711	28,415	59.53	19,317	40.47	47,732

Source: 01/01/2015-12/31/2017 HMDA Data and Commercial Business Loan Sample

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

Lending patterns during the review period indicate a **reasonable penetration** of loan originations among borrowers of different income levels and businesses of different sizes. Refer to Tables P and R in Appendix C for data used to evaluate the lending pattern to home mortgage borrowers of different income levels and small businesses with gross revenues less than \$1 million.

Residential Real Estate

Based on the data in Tables P in Appendix C, the borrower distribution of residential loans in the AAs reflects reasonable penetration. Accurate residential loan data was unavailable for 2015-2016 due to changes in the supervisory analytical systems. Therefore, conclusions were based on 2017 performance. For the Okmulgee County AA, the percentage of loans to low- and moderate-income borrowers was overall in line with the percentage of the AA's families, as well as aggregate percentages. The Seminole County AA's performance was mixed among low- and moderate-income borrowers. While the bank's performance for moderate-income borrowers was in line with the standard, the percentage of loans to low-income borrowers was poor in comparison to the AA's families in this income category. The bank's percentage of loans was 7.1 percent compared to 24.3 percent of the percentage of AA's families in the low-income category. Factors contributing to this poor performance include low-income borrowers often lack adequate credit history to qualify for a home loan, inadequate assistance to meet down payment requirements to obtain a home loan, and individuals in the low-income category choose to rent versus owning property.

Small Loans to Businesses

Based on the data in Table R in Appendix C, the borrower distribution of business loans in the AAs is excellent and exceeds the standard. On a combined basis for 2015-2016, by number of loans originated, the bank's percentage of lending to AAs small businesses is excellent at 83.3 percent compared to the 77.2 percentage of reporting AA small businesses with gross annual revenues less than \$1 million.

For both AAs, an increased percentage of lending to businesses with revenues less than \$1 million is more evident in recent originations in 2017 versus 2015-2016. For both AAs consolidated, the bank's percentage of lending of 91.7 percent exceeded the 77.7 percentage of reporting AA small businesses with gross annual revenues less than \$1 million.

Geographic Distribution of Loans

The overall geographic distribution of loans to small businesses and residential borrowers reflects **excellent dispersion** in the moderate-income CTs. There are no low-income CTs in the AAs. Refer to Tables Q and O in Appendix C for data used to evaluate geographic distribution of the bank's loan originations and purchases.

Residential Real Estate

Based on the data in Table O in Appendix C, the geographic distribution of home mortgage loans reflects excellent dispersion. Both AAs performance for years 2015-2016 and 2017 exceeded the standard for the percentage of owner-occupied housing units within the moderate-income CT. On a consolidated basis for years 2015-2016, the bank's percentage of the number of home loans originated in the moderate-income CT was 41.1 percent compared to the 26.7 percentage distribution of owner-occupied units located in the moderate-income CT.

Using 2017 data, the bank's consolidated performance was 54.9 percent compared to the 29.3 percentage distribution of owner-occupied units located in the moderate-income CT. The Seminole County AA's performance was exceptional as 85.7 percent of the number of home loans originated in the moderate-income CT compared to the 19.3 percentage distribution of owner-occupied units located in the moderate-income CT.

Small Loans to Businesses

Based on the data in Table Q in Appendix C, the geographic distribution of loans to small businesses reflects excellent dispersion. The bank's percentage of loans to businesses in moderate-income CTs significantly exceeds the percentage of AA businesses located in moderate-income CTs. On a consolidated basis for both AAs, data for 2015-2016 reflects that 32.9 percent of small businesses operate in the moderate-income CT. The bank's percentage of loans to small businesses was stronger at 50.0 percent. Both AAs exceeded the standard; however, the Seminole County AA's performance was exceptional as 70 percent of the bank's loans were to small businesses in the moderate-income CT compared to only 38.1 percent of small businesses that operated in the moderate-income CT.

On a consolidated basis for 2017, the bank's percentage of loans to businesses in moderate-income CTs totaled 58.3 percent and significantly exceeded the percentage of AA businesses located in moderate-income CTs, which was 43.1 percent. The Seminole County AA significantly exceeded the standard with 68.8 percent of loans made to small businesses in the moderate-income CTs compared to 37.8 percent of small businesses operating in moderate-income CTs.

Responses to Complaints

The bank did not receive any CRA-related complaints during this evaluation period.

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: (01/01/2015 to 12/31/2017)	
Financial Institution		Products Reviewed
The First National Bank and Trust Company of Okmulgee (FNB&T) Okmulgee, Oklahoma		Residential Mortgages and Small Commercial Business Loans
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Okmulgee County AA (MSA) Seminole County AA (Non-MSA)	Full-Scope Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Description of Assessment Areas

FNB&T has designated two AAs comprising two counties in Oklahoma. The AAs include Okmulgee and Seminole Counties. The AAs meet the requirements of the regulation and do not arbitrarily exclude low- and moderate-income geographies.

Okmulgee County Assessment Area

The Okmulgee County AA is part of the Tulsa MSA. The city of Okmulgee is the county seat for Okmulgee County. Major cities within the county include Henryetta, Beggs, Grayson, Dewar, Hoffman, Morris, Schuler, and Winchester. The Muscogee (Creek) Nation is headquartered in Okmulgee, Oklahoma, which is one of the largest Native American Tribes. The AA consists of ten census tracts (CTs). Within this AA, there are five moderate-income (50 percent) and five middle-income (50 percent) CTs. There are no low-income or upper-income CTs in the AA. The main office and local Wal-Mart in Okmulgee are located in a middle-income CT, while the Henryetta branch is located in a moderate-income CT.

The local economy is diversified in the areas of education, services, retail trade, light industrial, manufacturing, and government. The most significant employers include Muscogee Creek Nation, Anchor Glass, Paccar Winch, C.P. Kelco, local schools, and medical facilities. The unemployment rate for Okmulgee County was 5.0 percent compared to the state unemployment rate of 3.8 percent as of July 2018.

The level of banking competition in the AA is high and includes a number of commercial state-chartered banks, branches of non-local banks, several credit unions, and finance companies. First Family Federal Credit Union and Western Sun Federal Credit Union are the strongest competitors for FNB&T given their ability to offer lower interest rates compared to other financial institutions.

Tables A and B below summarize the demographic characteristics of the Okmulgee County AA. Table A shows the demographic characteristics of the AA according to the 2010 Census Data, while Table B shows those same characteristics based on the 2015 Census Data. Over the two Census Data periods, population size did not change significantly. However, changes are noted in the population by geography of the CT due to a middle CT designation changing to a moderate CT in Census Data 2015. The moderate-income tract's population increased from 31 percent to 42 percent, whereas the middle-income tract's population declined from 69 percent to 58 percent. The median family income increased by 5 percent. Median housing values remained stable. There was a slight reduction in the number of families below the poverty level from 16.7 percent to 15.6 percent.

Table A - Demographic Information of the Assessment Area

Assessment Area: Okmulgee County 2010 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	40.0	60.0	0.0	0.0
Population by Geography	40,069	0.0	31.1	68.9	0.0	0.0
Housing Units by Geography	17,878	0.0	33.4	66.6	0.0	0.0
Owner-Occupied Units by Geography	11,026	0.0	27.1	72.9	0.0	0.0
Occupied Rental Units by Geography	4,316	0.0	46.1	53.9	0.0	0.0
Vacant Units by Geography	2,536	0.0	39.4	60.6	0.0	0.0
Businesses by Geography	1,946	0.0	30.5	69.5	0.0	0.0
Farms by Geography	122	0.0	12.3	87.7	0.0	0.0
Family Distribution by Income Level	10,712	29.6	19.3	22.6	28.5	0.0
Household Distribution by Income Level	15,342	31.0	18.0	18.3	32.6	0.0
Median Family Income MSAs – 46140 Tulsa, OK MSA		\$58,038	Median Housing Value			\$76,956
			Median Gross Rent			\$572
			Families Below Poverty Level			16.7%

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.

Table B - Demographic Information of the Assessment Area

Assessment Area: Okmulgee County 2015 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	10	0.0	50.0	50.0	0.0	0.0
Population by Geography	39,446	0.0	42.2	57.8	0.0	0.0
Housing Units by Geography	17,825	0.0	44.1	55.9	0.0	0.0
Owner-Occupied Units by Geography	10,416	0.0	35.7	64.3	0.0	0.0
Occupied Rental Units by Geography	4,606	0.0	54.5	45.5	0.0	0.0
Vacant Units by Geography	2,803	0.0	58.3	41.7	0.0	0.0
Businesses by Geography	1,893	0.0	46.1	53.9	0.0	0.0
Farms by Geography	114	0.0	27.2	72.8	0.0	0.0
Family Distribution by Income Level	9,714	29.0	20.9	19.1	31.1	0.0
Household Distribution by Income Level	15,022	32.6	18.9	18.2	30.4	0.0
Median Family Income MSAs – 46140 Tulsa, OK MSA		\$61,182	Median Housing Value			\$77,854
			Median Gross Rent			\$606
			Families Below Poverty Level			15.6%

Source: 2015 ASC Census and 2017 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.

Seminole County Assessment Area

Seminole County is also a designated AA. Within Seminole County, FNB&T has one full-service branch and three ATMs located in Wewoka, Oklahoma. Wewoka is the county seat for Seminole County. Cities within the county include Seminole, Wewoka, Bowlegs, Cromwell, Konowa, Maud, Lima, Wolf, and Sasakwa. The Seminole Nation, Native American Tribe, is headquartered in Wewoka and have offices in Seminole. The AA consists of nine CTs. Within this AA, there are two moderate-income (22 percent) and five middle-income (78 percent) CTs. There are no low-income or upper-income CTs in the AA. The Wewoka branch and ATMs are located in a moderate-income CT.

Business demographics reflect that employment is centered in the areas of services, retail trade, finance/insurance/real estate, and construction. Major employers include the Seminole Nation, Sigma/Bar S, VF Jeanswear/Wrangler, Wal-Mart, Commercial Brick, Pumping Service, local schools, and medical facilities. The AA has a large number of low-income and unemployed individuals. The unemployment rate for Seminole County was 5.6 percent compared to the state unemployment rate of 3.8 percent as of July 2018. Banking competition is strong with 24 financial institutions located in Seminole County. In addition, the Wewoka branch faces aggressive competition from a local state-chartered institution, Security State Bank.

Tables C and D below summarize the demographic characteristics of the Seminole County AA. Table C shows the demographic characteristics of the AA according to the 2010 Census *Data*, while Table D shows those same characteristics based on the 2015 Census Data. The population size within the AA did not change from the 2010 to the 2015 Census Data. There was a shift in the level of owner-occupied units compared to rental units among moderate-income individuals. Specifically, the moderate-income level owner-occupied units declined from 26.1 percent to 19.3 percent, whereas occupied-rentals increased from 33 percent to 38.9 percent. The median family income increased by 8 percent, while the median housing value remained relatively stable. A large percentage of the population within the AA is classified as low- or moderate-income. The most recent information on the tables shows that 45 percent of families are considered low- or moderate-income. The percentage of families below the poverty level declined slightly from 17.8 percent to 15.6 percent.

Community Contact

During the evaluation period, we contacted community leaders to gain a better understanding of the community credit needs within the AAs. The community contact for the Okmulgee County AA stated there is a need for lower-cost alternatives for money access versus the usage of high-rates and fees imposed by payday lenders. The town is inundated with quick cash and payday lender locations that are heavily utilized by the public. The contact stated they desire to partner with local institutions to develop a more affordable program for the public where the cost to obtain funds could be as minimal as a zero to one percent interest rate loan. The community contact for the Seminole County AA indicated there is a need for community education on money management. Additionally, there is a need for construction of affordable housing, as well as affordable housing programs designed to assist low-income individuals in obtaining home ownership versus renting.

Table C - Demographic Information of the Assessment Area

Assessment Area: Seminole County 2010 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	22.2	77.8	0.0	0.0
Population by Geography	25,482	0.0	26.9	73.1	0.0	0.0
Housing Units by Geography	11,585	0.0	28.5	71.5	0.0	0.0
Owner-Occupied Units by Geography	6,672	0.0	26.1	73.9	0.0	0.0
Occupied Rental Units by Geography	2,548	0.0	33.0	67.0	0.0	0.0
Vacant Units by Geography	2,365	0.0	30.6	69.4	0.0	0.0
Businesses by Geography	1,137	0.0	37.4	62.6	0.0	0.0
Farms by Geography	55	0.0	18.2	81.8	0.0	0.0
Family Distribution by Income Level	6,082	25.6	18.9	21.4	34.0	0.0
Household Distribution by Income Level	9,220	28.8	17.0	17.4	36.8	0.0
Median Family Income Non-MSAs - OK		\$47,749	Median Housing Value			\$66,632
			Median Gross Rent			\$508
			Families Below Poverty Level			17.8%

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.

Table D - Demographic Information of the Assessment Area

Assessment Area: Seminole County 2015 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	9	0.0	22.2	77.8	0.0	0.0
Population by Geography	25,481	0.0	23.9	76.1	0.0	0.0
Housing Units by Geography	11,662	0.0	27.8	72.2	0.0	0.0
Owner-Occupied Units by Geography	6,671	0.0	19.3	80.7	0.0	0.0
Occupied Rental Units by Geography	2,531	0.0	38.9	61.1	0.0	0.0
Vacant Units by Geography	2,460	0.0	39.4	60.6	0.0	0.0
Businesses by Geography	1,110	0.0	37.8	62.2	0.0	0.0
Farms by Geography	49	0.0	16.3	83.7	0.0	0.0
Family Distribution by Income Level	6,323	24.3	21.1	20.9	33.7	0.0
Household Distribution by Income Level	9,202	28.0	18.4	17.2	36.4	0.0
Median Family Income Non-MSAs - OK		\$51,698	Median Housing Value			\$68,242
			Median Gross Rent			\$529
			Families Below Poverty Level			15.6%

Source: 2015 ACS Census and 2017 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.

Appendix C: Tables of Performance Data

Content of Standardized Tables

For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

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

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

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Okmulgee AA	321	15,100	87.5	133	0.0	0.0	0.0	27.1	40.5	41.4	72.9	59.5	58.6	0.0	0.0	0.0	0.0	0.0	0.0
Seminole AA	46	2,512	12.5	32	0.0	0.0	0.0	26.1	45.7	46.9	73.9	54.3	53.1	0.0	0.0	0.0	0.0	0.0	0.0
Total	367	17,612	100.0	165	0.0	0.0	0.0	26.7	41.1	42.4	73.3	58.9	57.6	0.0	0.0	0.0	0.0	0.0	0.0

Source: 2010 U.S Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table O : Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography **2017**

Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Okmulgee AA	128	4,169	90.1	127	0.0	0.0	0.0	35.7	51.6	52.0	64.3	48.4	48.0	0.0	0.0	0.0	0.0	0.0	0.0
Seminole AA	14	504	9.9	0	0.0	0.0	0.0	19.3	85.7	--	80.7	14.3	--	0.0	0.0	0.0	0.0	0.0	0.0
Total	142	4,673	100.0	127	0.0	0.0	0.0	29.3	54.9	52.0	70.7	45.1	48.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2015-16**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Okmulgee AA	321	15,100	87.5	133	29.6	0.0	13.5	19.3	0.0	16.5	22.6	0.0	25.6	28.5	0.0	33.1	0.0	100.0	11.3
Seminole AA	46	2,512	12.5	32	25.7	0.0	18.8	18.9	0.0	15.6	21.4	0.0	31.3	33.9	0.0	25.0	0.0	100.0	9.4
Total	367	17,612	100.0	165	28.2	0.0	14.5	19.2	0.0	16.4	22.2	0.0	26.7	30.5	0.0	31.5	0.0	100.0	10.9

Source: 2010 U.S. Census; 01/01/2015 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2017**

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Okmulgee AA	128	4,169	90.1	127	29.0	23.4	22.8	20.9	27.3	27.6	19.1	14.8	15.0	31.0	20.3	20.5	0.0	14.1	14.2
Seminole AA	14	504	9.9	--	24.3	7.1	--	21.1	21.4	--	20.9	7.1	--	33.7	35.7	--	0.0	28.6	--
Total	142	4,673	100.0	127	27.1	21.8	22.8	21.0	26.8	27.6	19.8	14.1	15.0	32.1	21.8	20.5	0.0	15.5	14.2

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2015-16**

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Okmulgee AA	22	2,812	100.0	0.0	0.0	29.9	31.8	70.1	68.1	0.0	0.0	0.0	0.0
Seminole AA	20	1,600	100.0	0.0	0.0	38.1	70.0	61.9	30.0	0.0	0.0	0.0	0.0
Total	42	4,412	100.0	0.0	0.0	32.9	50.0	67.1	50.0	0.0	0.0	0.0	0.0

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2017**

Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Okmulgee AA	20	1,215	100.0	0.0	0.0	46.1	50.0	53.9	50.0	0.0	0.0	0.0	0.0
Seminole AA	16	503	100.0	0.0	0.0	37.8	68.8	62.2	31.2	0.0	0.0	0.0	0.0
Total	36	1,718	100.0	0.0	0.0	43.1	58.3	56.9	41.7	0.0	0.0	0.0	0.0

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **2015-16**

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
Okmulgee AA	22	2,812	100.0	--	79.2	81.8	--	3.5	18.1	17.3	0.0
Seminole AA	20	1,600	100.0	--	73.7	85.0	--	6.6	15.0	19.7	0.0
Total	42	4,412	100.0	--	77.2	83.3	--	4.6	16.7	18.2	0.0

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

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues **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
Okmulgee AA	20	1,215	100.0	--	80.0	90.0	--	4.3	10.0	15.7	0.0
Seminole AA	16	503	100.0	--	73.8	93.7	--	7.5	6.3	18.7	0.0
Total	36	1,718	100.0	--	77.7	91.7	--	5.5	8.3	16.9	0.0

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