

FIRST OKLAHOMA BANK

Public File

PUBLIC FILE: COMMUNITY REINVESTMENT ACT

In compliance with the Community Reinvestment Act, First Oklahoma Bank provides this complete public file available to you. All data within the file is updated as of April 1st of each year, with the exception of items outlined in section 345.43 of the regulation.

- **Public Comments**

The Community Reinvestment Act requires that we keep record of written comments received from the public that specifically relate to our performance in helping to meet the community credit needs, and any response to comments by the bank.

- 2021- No comments were received
- 2022- No comments were received
- 2023- No comments were received

- **Our most recent CRA Evaluation:**

First Oklahoma bank was examined by federal regulators in 2021 and received a CRA rating of satisfactory. The public disclosure of this exam is enclosed. *Note the current address for the Dallas Regional Office of the FDIC is now 600 North Pearl Street, Suite 700, Dallas TX 75201.*

- **Our locations and hours of operation:**

- **Jenks HQ- MSA: 46140, State: 40, County: 143, Tract: 0067.03**

This tract is designated as moderate-income
100 S Riverfront Drive; Suite 100, Jenks, OK 74037

Lobby: Monday-Friday 9:00 AM - 5:00 PM

Drive-thru: Monday-Friday: 8:00 AM - 6:00 PM, Saturday 8:00 AM - 12:00 PM

- **Midtown- MSA: 46140, State: 40, County: 143, Tract: 0050.02**

This tract is designated as middle-income
4110 S Rockford Ave, Tulsa, OK 74105

Lobby: Monday-Friday: 9:00 AM - 5:00 PM

Drive-thru: Monday-Friday 8:00 AM - 6:00 PM

- **Glencoe- MSA: N/A, State: 40, County: 119, Tract: 0111.01**

This tract is designated as upper-income
311 W Main St, Glencoe, OK 74032

Monday-Thursday: 9:00 AM - 3:00 PM

Friday: 9:00 AM - 4:30 PM

- **Branches that we have opened or closed in the past two year:**
 - We have not opened or closed any branches in the past two years.

- **Services available at our branches:**
 - Checking Accounts
 - Basic Checking
 - Checking w/ Interest
 - Simple Checking
 - Basic Business Checking
 - Community Business Checking
 - Commercial Checking
 - IOLTA Accounts
 - Savings Accounts
 - Basic Savings
 - Youth Savings
 - Health Savings Accounts (HSAs)
 - Money Market
 - Commercial Money Market
 - Certificates of Deposit
 - IRA Services
 - Safety Deposit Boxes
 - Consumer Loans
 - Personal Loans and Personal Lines of Credit
 - Home Equity Loans - Origination fees are .75% of the loan amount.
 - HELOCS – Origination fees are .50% of the line amount.
 - First and Second lien purchase loans - Origination fees are .75% of the loan amount.
 - First and Second lien refinances - Origination fees are .75% of the loan amount.
 - Construction loans - Origination fees are .75% of the loan amount.
 - Bridge loans- Origination fees are .75% of the loan amount.
 - Lot loans - Origination fees are .75% of the loan amount.
 - Purchase/Rehab loans - Origination fees are .75% of the loan amount.
 - Commercial loans
 - Small Business Administration (SBA) Loans
 - Night Depository
 - Wire Transfers
 - Official Checks and Money Orders
 - Medical Banking
 - Credit Cards for personal or business

A schedule of deposit account transactional fees is enclosed.

- **Information about our Home Mortgage Lending:** First Oklahoma bank is required to submit data about its home mortgage lending to regulators annually. Our Home Mortgage Disclosure Act Statement is available online at www.consumerfinance.gov/hmda.

- **Information about our loans and deposits:** First Oklahoma Bank is required to provide you with our loan to deposit ratio for each quarter of the prior calendar year. This information can be found below:
 - 1st Quarter 2023
 - Loans (\$835,294,000)/Deposits (\$929,210,000) = 89.89%
 - 2nd Quarter 2023
 - Loans (\$883,704,000)/Deposits (\$946,506,000) = 93.36%
 - 3rd Quarter 2023
 - Loans (\$905,260,000)/Deposits (\$962,140,000) = 94.09%
 - 4th Quarter 2023
 - Loans (\$911,166,000)/Deposits (\$956,800,000) = 95.23%

PUBLIC DISCLOSURE

July 19, 2021

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Oklahoma Bank
Certificate Number: 12484

100 South Riverfront Drive
Jenks, Oklahoma 74037

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
Dallas Regional Office

1601 Bryan Street, Suite 1410
Dallas, Texas 75201

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment areas (AAs), including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Satisfactory Lending Test and Community Development Test ratings support the bank's overall Community Reinvestment Act (CRA) rating. The following points summarize conclusions regarding the applicable tests, discussed in detail elsewhere.

The Lending Test is rated Satisfactory.

- The loan-to-deposit ratio (LTD) is more than reasonable, (considering seasonal variations and taking into account lending-related activities) given the institution's size, financial condition, and the credit needs of the AAs.
- A majority of loans are in the institution's AAs.
- The geographic distribution of loans reflects reasonable dispersion throughout the AAs.
- The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among businesses of different sizes and individuals of different income levels.
- The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

The Community Development Test is rated Satisfactory.

The institution's community development (CD) performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments (QIs), and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the institution's AAs. An excellent record regarding CD loans combined with adequate responsiveness to CD needs and adequate records regarding QIs and CD services support this conclusion.

DESCRIPTION OF INSTITUTION

First Oklahoma Bank (FOB), headquartered in Jenks, Oklahoma, remains wholly owned by First Oklahoma Holdings, Inc., a one-bank holding company also located in Jenks. FOB wholly owns and operates one subsidiary, First Oklahoma Mortgage, LLC, also located in Jenks, that provides secondary market mortgage loans. This evaluation does not include any lending or CD activities from affiliates. The institution received a Satisfactory rating at its July 16, 2018 FDIC Performance Evaluation based on Intermediate Small Institution Procedures.

FOB functions as a retail bank operating three full service offices in Oklahoma. The bank did not open or close any branches and did not engage in any merger or acquisition activity since the prior evaluation. The institution offers various loan products including commercial, home mortgage, agriculture, and consumer loans, primarily focusing on commercial and home mortgage lending. FOB also offered loans through the Small Business Administration (SBA) Paycheck Protection Program (PPP). The PPP loans were offered qualified businesses that meet certain standards established by the SBA in order to retain employees through the COVID-19 pandemic and include loan forgiveness subject to certain conditions. The FDIC encouraged financial institutions to consider using this program in a prudent manner as they actively work with business borrowers, including small businesses, with less financial flexibility to withstand near term operational challenges due to the COVID-19. As of July 19, 2021, FOB originated 785 PPP loans totaling \$99.7 million.

The institution provides a variety of deposit services including checking, savings, money market, and certificate of deposit accounts, as well as debit and credit cards. FOB also offers individual retirement accounts and health savings accounts. Alternative delivery systems include online banking, mobile banking, remote deposit capture, and two bank-owned automated teller machines (ATMs).

Since the previous evaluation, total assets, net loans, and total deposits increased 57.7 percent, 59.7 percent, and 60.0 percent, respectively. As of the March 31, 2021, Consolidated Reports of Condition and Income, the bank reported total assets of \$924.1 million, total loans of \$790.3 million, and total deposits of \$818.8 million. The following table illustrates the loan portfolio as of March 31, 2021.

Loan Portfolio Distribution as of 3/31/2021		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	68,583	8.7
Secured by Farmland	5,352	0.7
Secured by 1-4 Family Residential Properties	146,481	18.5
Secured by Multifamily (5 or more) Residential Properties	27,477	3.5
Secured by Nonfarm Nonresidential Properties	266,730	33.8
Total Real Estate Loans	514,623	65.2
Commercial and Industrial Loans	244,086	30.9
Agricultural Production and Other Loans to Farmers	248	<0.1
Consumer Loans	2,772	0.3
Loans to Depository Institutions	1,685	0.2
Obligations of State and Political Subdivisions in the U.S.	189	<0.1
Other Loans	26,674	3.4
Total Loans	790,277	100.0
<i>Source: Consolidated Reports of Condition and Income</i>		

Examiners did not identify any financial, legal, or other impediments that affected the institution's ability to meet its AAs' credit needs.

DESCRIPTION OF ASSESSMENT AREAS

FOB designated two AAs within the State of Oklahoma: a portion of the Oklahoma Non-Metropolitan Statistical Area (Oklahoma Non-MSA) and a portion of the Tulsa, Oklahoma Metropolitan Statistical Area (Tulsa MSA). The AAs meet the technical requirements of the CRA. Please refer to the individual AAs’ sections for specific details on each AA.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the previous evaluation dated July 16, 2018, to the current evaluation dated July 19, 2021. To assess performance, examiners applied the Intermediate Small Institution Procedures, which include the Lending Test and Community Development Test. Please see the appendix for details of each test.

The following table shows the bank generated a substantial majority of its loans inside the Tulsa MSA AA. Consistent with the prior evaluation, this area also generated a clear majority of the bank’s total deposits and accounted for a majority of the branch locations. Consequently, examiners applied full-scope procedures and weighed performance more heavily in the Tulsa MSA AA when arriving at conclusions and ratings. Examiners also applied full-scope procedures to assess the bank’s performance in the Oklahoma Non-MSA AA, as this AA received limited-scope reviews during the previous two evaluations. Please refer to the individual AAs’ sections for additional details.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Oklahoma Non-MSA	797	0.9	35,604	4.9	1	33.3
Tulsa MSA	90,415	99.1	688,232	95.1	2	66.7
Total	91,212	100.0	723,836	100.0	3	100.0

Source: HMDA Reported Data 2018 - 2020; Bank Data 2020; FDIC Summary of Deposits 6/30/2020.

Activities Reviewed

For the Lending Test, Intermediate Small Institution Procedures require examiners to determine the bank’s major product lines for review. As an initial matter, examiners may select from the same loan categories used for CRA Large Institution evaluations: home mortgage, small business, small farm, and consumer loans. The following table shows the bank’s originations and purchases over the most recent completed calendar year by loan type.

Loans Originated or Purchased				
Loan Category	\$(000s)	%	#	%
Construction and Land Development	65,878	10.2	93	4.9
Secured by Farmland	1,007	0.2	4	0.2
Secured by 1-4 Family Residential Properties	168,933	26.2	766	40.6
Multi-Family (5 or more) Residential	15,629	2.4	16	0.8
Commercial Real Estate Loans	171,022	26.6	155	8.2
Commercial and Industrial Loans	200,216	31.1	781	41.4
Agricultural Loans	145	<0.1	3	0.2
Consumer Loans	3,327	0.5	44	2.3
Other Loans	18,197	2.8	26	1.4
Total Loans	644,354	100.0	1,888	100.0
<i>Source: Bank Data 2020</i>				

Considering the dollar volume and number of loans originated, as well as management’s stated business strategy, examiners determined that the bank’s major product lines consist of commercial loans and home mortgage loans. Since the other categories typically reviewed for CRA, including small farm and consumer loans, do not represent major product lines and thus would not materially affect any conclusions or ratings, this evaluation does not include a review of them. Bank records indicate that the lending focus and product mix remained generally consistent throughout the evaluation period.

FOB reports home mortgage loans pursuant to the Home Mortgage Disclosure Act (HMDA). Therefore, this evaluation included a review of all home mortgage loans reported on the bank’s 2018, 2019, and 2020 HMDA Loan Application Registers (LARs), as summarized below.

- 2018: 154 home mortgage loans totaling \$23.5 million,
- 2019: 205 home mortgage loans totaling \$36.8 million, and
- 2020: 245 home mortgage loans totaling \$55.9 million.

Examiners did not identify any trends between the different years’ data that materially affect applicable conclusions. Therefore, the geographic distribution and borrower profile reviews present home mortgage loan data for 2019, the most recent year for which aggregate data exists. However, the AA Concentration discussion includes home mortgage loan data for all years reviewed. Examiners compared the bank’s home mortgage lending to available aggregate data and 2015 American Community Survey (ACS) data.

This evaluation also included a review of small business loans originated or purchased in 2020. From a universe of 871 small business loans totaling \$150.1 million, examiners reviewed a random sample of 63 small business loans totaling \$15.3 million. Examiners considered the sample representative of the bank’s performance during the entire evaluation period. D&B data for 2020 provided a standard comparison for small business loans.

Consistent with the prior evaluation, lending activity in the Oklahoma Non-MSA AA accounts for less than 1.0 percent of the institution’s total dollar volume of lending. Examiners identified only three home mortgage loans totaling \$287,000 originated in this AA among the three years of

reported data reviewed. Examiners identified only two small business loans from the entire universe of applicable loans totaling \$510,000 in the Oklahoma Non-MSA AA during 2020. Examiners further confirmed that no other loan products typically reviewed for CRA represented a significant volume in this AA. Therefore, examiners did not perform a Lending Test analysis for the Oklahoma Non-MSA AA since limited data exists to draw meaningful conclusions and they would not impact the overall rating. However, examiners deemed the lending level in this AA to be reasonable when considering the bank’s ability and capacity relative to total deposits in the AA.

Examiners considered the universe of home mortgage and small business loans when determining loan product weighting. The following table shows that small business loans represent a majority, by both number and dollar, of the loan categories reviewed. Therefore, small business loans received more weight when arriving at overall conclusions.

Loan Products Reviewed				
Loan Category	Universe			
	#	%	\$(000s)	%
Home Mortgage	245	22.0	55,868	27.2
Small Business	871	78.0	150,086	72.9
Total Loans	1,116	100.00	205,954	100.00

Source: HMDA Reported Data 2020; Small Business Loan Data 2020

While the evaluation presents both the number and dollar volume of loans, examiners emphasized performance by number of loans because the number of loans better indicates the number of businesses and individuals served.

Finally, the scope for the CD Test includes CD loans, QIs, and CD services since the prior evaluation dated July 16, 2018. The scope of this evaluation also considered all prior period QIs purchased prior to the previous evaluation and still outstanding as of this evaluation’s date.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

FOB demonstrated satisfactory performance regarding the Lending Test. Reasonable performance records regarding borrower profile and geographic distribution, a more than reasonable LTD ratio, and a majority of loans originated inside the AAs support this conclusion.

Loan-to-Deposit Ratio

The LTD ratio is more than reasonable (considering seasonal variations and taking into account lending related activities) given the institution’s size, financial condition, and AAs’ credit needs. For the 11 quarters since the previous evaluation, the bank recorded a 95.5 percent average net LTD ratio. The quarterly net LTD ratio varied from a low of 89.6 percent as of September 30, 2019, to a high of 106.6 percent as of September 30, 2020.

Examiners identified and listed in the following table comparable institutions operating in similar areas, with comparable asset sizes and lending emphases. As illustrated, FOB’s average net LTD ratio reflects similar performance to the comparable institutions.

Loan-to-Deposit Ratio Comparison		
Bank	Total Assets as of 3/31/2021 (\$000)	Average Net LTD Ratio (%)
First Oklahoma Bank - Jenks, Oklahoma	924,079	95.5
Security Bank - Tulsa, Oklahoma	770,167	93.6
Spirit Bank - Tulsa, Oklahoma	719,930	91.8

Source: Consolidated Reports of Condition and Income 9/30/2018 - 3/31/2021

Assessment Area Concentration

A majority of loans are in the institution’s AAs. The following table shows FOB originated a majority of home mortgage loans and small business loans, by both number and dollar volume, in the AAs.

Lending Inside and Outside of the Assessment Areas										
Loan Category	Number of Loans					Dollar Amount of Loans \$(000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%	#	\$	%	\$	%	\$(000s)
Small Business	38	60.3	25	39.7	63	9,133	59.9	6,126	40.1	15,259
Home Mortgage										
2018	131	85.1	23	14.9	154	18,219	77.5	5,299	22.5	23,518
2019	173	84.4	32	15.6	205	29,021	78.8	7,789	21.2	36,810
2020	205	83.7	40	16.3	245	34,839	62.4	21,029	37.6	55,868
Home Mortgage Subtotal	509	84.3	95	15.7	604	82,079	70.6	34,117	29.4	116,196

Source: HMDA Reported Data 2018 – 2020; Bank Data 2020

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the AAs. Reasonable performance in the Tulsa MSA AA supports this conclusion. Examiners focused the analysis on the percentage by number of loans in low- and moderate-income census tracts in the AAs relative to the available comparative data and any performance context issues when arriving at this conclusion.

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AAs, reasonable penetration among individuals of different income levels (including low and moderate income) and businesses of different sizes. Reasonable performance in the Tulsa MSA AA supports this conclusion.

Examiners focused the analysis on the percentage by number of loans to low- and moderate-income individuals and to businesses with gross annual revenue of \$1 million or less within the AAs when arriving at conclusions for this performance factor.

Response to Complaints

The institution did not receive any CRA-related complaints since the previous evaluation; therefore, this criterion did not affect the Lending Test rating.

COMMUNITY DEVELOPMENT TEST

FOB demonstrated satisfactory performance regarding the CD Test. The institution’s CD performance demonstrates adequate responsiveness to CD needs in its AAs through CD loans, qualified investments, and CD services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for CD in the institution’s AAs. Adequate performance records regarding QIs and CD services combined with an excellent record for CD loans supports this conclusion.

Community Development Loans

The bank exhibited an excellent record regarding its CD loans. An excellent level regarding the dollar volume of CD loans supports this conclusion. As reflected in the following table, the bank originated 30 CD loans totaling approximately \$43.3 million during the evaluation period. The total dollar amount equates to 5.7 percent of average total assets of \$759.8 million since the previous evaluation and 6.8 percent of average net loans of \$636.8 million for the same period. These levels reflect an increase over the \$15.3 million in CD loans comprising 3.1 percent of average total assets and 3.7 percent of average net loans reported at the previous evaluation. The following table shows the bank’s CD lending by year and purpose.

Community Development Lending										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	1	265	1	265
2019	1	400	1	20	3	783	7	10,643	12	11,846
2020	3	3,335	0	0	4	2,511	3	16,183	10	22,029
YTD 2021	3	3,132	0	0	2	5,983	2	67	7	9,182
Total	7	6,867	1	20	9	9,277	13	27,158	30	43,322

Source: Bank Data

The CD loans proved adequately responsive to the AAs’ identified needs given that activities primarily revitalize or stabilize qualifying geographies, at 62.7 percent by dollar volume of total CD loans.

Please refer to the individual AAs’ sections for examples.

Qualified Investments

The institution displayed an adequate record regarding its QIs. An adequate level regarding the dollar volume of QIs support this conclusion. As reflected in the following table, the bank made use of 13 QIs totaling \$2.4 million, which includes 8 donations totaling \$162,000. The total dollar amount equates to 0.3 percent of average total assets since the prior evaluation and 154.1 percent of average total securities of \$1.6 million for the same period. Examiners noted FOB did not have any securities in its portfolio for the first four quarters of the evaluation period. The total dollar volume of the bank’s securities reflects proportionally to deposit volume available for investments, as evidenced by the LTD ratio. The bank’s current level reflects a notable increase over the 24 QIs totaling \$728,000 reported at the prior evaluation.

Qualified Investments										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	2	785	0	0	0	0	2	785
2020	0	0	1	375	0	0	0	0	1	375
YTD 2021	0	0	2	1,100	0	0	0	0	2	1,100
Subtotal	0	0	5	2,260	0	0	0	0	5	2,260
Qualified Grants & Donations	0	0	8	162	0	0	0	0	8	162
Total	0	0	13	2,422	0	0	0	0	13	2,422
<i>Source: Bank Data</i>										

Please refer to the individual AAs’ sections for examples.

Community Development Services

The bank established an adequate record of providing CD services. The types of services primarily supports this conclusion.

Types of Services

FOB demonstrated adequate performance regarding CD services. An adequate extent, or number, of CD services supports this conclusion. The following table shows that the bank’s directors, officers, and employees provided 33 CD services since the prior evaluation. This level reflects a decrease over the 48 CD services noted at the previous evaluation, yet still reflects reasonable performance. The services all involve bank personnel’s use of their technical expertise to benefit organizations or projects with a primary purpose of CD, as defined by the CRA regulation. A significant majority of the services benefited community service organizations that serve low- and moderate-income individuals, which demonstrates the bank’s responsiveness to an identified CD need. The following table reflects the number of CD services by year and purpose.

Community Development Services					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	6	0	0	6
2019	0	6	0	1	7
2020	0	7	0	1	8
YTD 2021	0	11	0	1	12
Total	0	30	0	3	33
<i>Source: Bank Data</i>					

Please refer to the individual AAs' sections for examples.

Availability of Services

The following table shows the bank does not operate any offices or ATMs in low- or moderate-income census tracts. However, both of the bank's branches the Tulsa MSA AA are located adjacent to numerous low- and moderate-income census tracts. Further, the bank's branch in the Oklahoma Non-MSA AA is located in a census tract designated as a distressed area due to poverty. Therefore, the bank's delivery systems are reasonably accessible to low- and moderate-income individuals and geographies throughout the AAs. Examiners also considered the overall small number of branches, which easily skews the data, when evaluating this factor.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	19	9.0	59,405	7.8	0	0.0	0	0.0
Moderate	62	29.4	193,832	25.4	0	0.0	0	0.0
Middle	70	33.2	265,195	34.8	3	100.0	2	100.0
Upper	60	28.4	244,581	32.0	0	0.0	0	0.0
Total	211	100.0	763,013	100.0	3	100.0	2	100.0
<i>Source: 2015 ACS Data; Bank Data</i>								

In addition to two bank-owned ATMs, the bank participates in the Transfund network to provide FOB customers fee free access to approximately 167 additional ATMs located throughout the bank's AAs.

Further, FOB offers online banking with options for electronic bill pay and e-statements, as well as mobile banking and mobile deposit. These delivery systems also address various needs of commercial customers, including small businesses, such as merchant services, remote deposit capture, as well as cash management and treasury services.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank's compliance with the laws relating to discrimination and other illegal credit practices was reviewed, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

TULSA MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN TULSA MSA AA

FOB’s Tulsa MSA AA includes all of Tulsa County, east central Creek County (10 of 21 census tracts), and northwestern Wagoner County (9 of 22 census tracts). The bank operates two full-service offices, including the main office, and maintains two ATMs in this AA.

Economic and Demographic Data

The AA’s 194 census tracts reflect the following income designations based on 2015 ACS data: 17 low-, 57 moderate-, 64 middle-, and 56 upper-income tracts. The following table provides select demographic data for this AA.

Demographic Information of the Assessment Area						
Tulsa MSA Assessment Area						
Demographic Characteristics	#	Low	Moderate	Middle	Upper	NA*
		% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts)	194	8.8	29.4	33.0	28.8	0.0
Population by Geography	683,590	7.3	25.5	34.8	32.4	0.0
Housing Units by Geography	298,901	7.7	26.9	35.0	30.4	0.0
Owner-Occupied Units by Geography	163,695	4.1	19.3	37.0	39.6	0.0
Occupied Rental Units by Geography	104,345	11.8	36.1	33.4	18.7	0.0
Vacant Units by Geography	30,861	12.7	36.4	29.9	21.0	0.0
Businesses by Geography	79,204	3.6	21.0	35.8	39.6	0.0
Farms by Geography	1,878	3.6	16.8	40.5	39.1	0.0
Family Distribution by Income Level	172,576	21.6	17.0	19.9	41.5	0.0
Household Distribution by Income Level	268,040	24	16.4	17.8	41.8	0.0
Median Family Income MSA - Tulsa, OK MSA	\$61,182		Median Housing Value			\$140,225
				Median Gross Rent		\$784
				Families Below Poverty Level		11.9%
<i>Source: 2015 ACS Data and 2020 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.</i>						

FEMA made disaster declarations on June 1, 2019, and August 7, 2019, affecting all counties in the Tulsa MSA AA due to severe storms. On April 5, 2020, FEMA made a disaster declaration affecting all counties in the Tulsa MSA AA due to the COVID-19 pandemic. FEMA also made a disaster declaration on February 24, 2021, affecting all counties in the AA due to severe winter storms.

According to the AA’s counties websites, major employers in the Tulsa MSA AA include Saint Francis Health System, AAON Manufacturing, Hillcrest Health Care System, and American Airlines. The following table lists annual unemployment rates over the evaluation period for the AA, State of Oklahoma, and nationwide.

Annual Unemployment Rates Tulsa MSA Assessment Area			
Area	2018	2019	2020
	%	%	%
Creek County	3.4	3.2	5.3
Tulsa County	3.2	2.8	5.4
Wagoner County	3.0	2.7	4.6
State of Oklahoma	3.0	2.8	4.6
Nationwide	3.9	3.7	8.1

Source: Bureau of Labor Statistics

Examiners used the applicable FFIEC-updated median family income levels to analyze home mortgage loans under the borrower profile criterion. The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2019 FFIEC-updated median family income of \$68,600 for the Tulsa MSA.

Median Family Income Ranges - Tulsa MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$68,600)	<\$34,300	\$34,300 to <\$54,880	\$54,880 to <\$82,320	≥\$82,320

Source: FFIEC

Competition

The Tulsa MSA AA is a highly competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2020, 52 financial institutions operate 236 offices within the counties comprising the AA. Of these institutions, FOB ranked ninth with a 2.1 percent deposit market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the AA to assist in identifying the credit and community needs. This information helps determine financial institutions' responsiveness to these needs and shows available credit opportunities.

Examiners utilized an existing community contact familiar with the business and community environment. The contact, a representative of an economic development organization in the AA, described the area's current economic condition in need of small business lending due to numerous closings from the COVID-19 pandemic. The contact also specified a need for financial literacy and education. Overall, the contact felt that financial institutions demonstrate responsiveness to the credit and CD needs of the area.

Credit and Community Development Needs and Opportunities

Considering information obtained from the community contact, bank management, as well as demographic and economic data, examiners determined that small business loans represent the primary credit need of the AA.

With respect to the area’s CD needs, demographic data shows that 38.6 percent of the area’s families reported low- or moderate-incomes, and 11.9 percent reported incomes below the poverty level. These levels suggest a need for activities that benefit organizations or projects that provide community services to these families. In addition, the disaster declarations and 38.2 of the AA’s census tracts receiving low- or moderate-income designations suggest a need for activities that revitalize or stabilize such geographies.

CONCLUSIONS ON PERFORMANCE CRITERIA IN TULSA MSA AA

LENDING TEST

FOB demonstrated a satisfactory record in the Tulsa MSA AA regarding the Lending Test. Reasonable geographic distribution and borrower profile records supports this conclusion.

Geographic Distribution

The geographic distribution of loans reflects reasonable dispersion throughout the Tulsa MSA AA. Reasonable small business lending performance outweighed excellent home mortgage lending performance to support this conclusion.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the Tulsa MSA AA. As reflected in the following table, the bank’s lending in low-income census tracts slightly exceeds demographic data by 2.0 percentage points, reflecting reasonable performance. The level of lending in moderate-income census tracts falls below business demographics by 7.1 percentage points, yet remains with a reasonable range.

Geographic Distribution of Small Business Loans					
Tulsa MSA Assessment Area					
Tract Income Level	% of Businesses	#	%	\$(000s)	%
Low	3.6	2	5.6	804	9.3
Moderate	21.0	5	13.9	1,797	20.8
Middle	35.8	16	44.4	3,750	43.5
Upper	39.6	13	36.1	2,272	26.4
Totals	100.0	36	100.0	8,623	100.0

Source: D&B Data 2020; Bank Data 2020

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects excellent dispersion throughout the Tulsa MSA AA. Excellent performance in moderate-income geographies outweighed reasonable performance in low-income geographies to support this conclusion.

As reflected in the following table, the bank’s lending level in low-income census tracts rises 9.3 percentage points above aggregate data, reflecting reasonable performance. The bank’s level of lending in moderate-income census tracts notable exceeds aggregate data by 18.0 percentage points, reflecting excellent performance. Examiners afforded more weight to performance in moderate-income census tracts due to the higher percentage of housing units located within those geographies, reflecting greater opportunity for lending.

Geographic Distribution of Home Mortgage Loans Tulsa MSA Assessment Area						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low	4.1	1.1	18	10.4	1,783	6.1
Moderate	19.3	13.8	55	31.8	7,816	26.9
Middle	37.0	37.4	56	32.4	7,072	24.4
Upper	39.6	47.7	44	25.4	12,350	42.6
Totals	100.0	100.0	173	100.0	29,021	100.0

Source: 2015 ACS data; 2019 HMDA Reported Data; 2019 HMDA Aggregate Data

Borrower Profile

The distribution of borrowers reflects, given the demographics of the AA, reasonable penetration among businesses of different sizes and individuals of different income levels. A reasonable record regarding small business lending primarily supports this conclusion.

Small Business Loans

The distribution of borrowers reflects reasonable penetration among businesses of different sizes in the Tulsa MSA AA. Lending to businesses with gross annual revenue of \$1 million or less supports this conclusion.

The following table shows that FOB granted more than six out of every ten small business loans to businesses with gross annual revenue of \$1 million or less, reflecting reasonable performance. Furthermore, the bank originated the greatest percentage of small business loans to businesses in the lowest gross annual revenue category.

Distribution of Small Business Loans by Gross Annual Revenues					
Tulsa MSA Assessment Area					
Gross Revenue Level	% of Businesses	#	%	\$(000s)	%
< \$100,000	58.1	17	47.2	2,069	24.0
\$100,000 - \$249,999	20.7	1	2.8	100	1.2
\$250,000 - \$499,999	5.3	5	13.9	2,300	26.6
\$500,000 - \$1,000,000	3.1	2	5.6	248	2.9
Subtotal <= \$1,000,000	87.2	25	69.5	4,717	54.7
>\$1,000,000	4.7	11	30.5	3,906	45.3
Revenue Not Available	8.1	0	0.0	0	0.0
Total	100.0	36	100.0	8,623	100.0

Source: D&B Data 2020; Bank Data 2020

Home Mortgage Loans

The distribution of borrowers reflects reasonable penetration among individuals of different income levels. As reflected in the following table, the bank's level of lending to low-income borrowers falls slightly below aggregate data by 2.5 percentage points, reflecting reasonable performance. The table further shows that to moderate-income borrowers the bank's percentage of lending trailed aggregate data by 13.3 percentage points, which reflects poor performance. However, the analysis shows a large majority of the bank's home mortgage loans do not contain revenue information, which heavily skews the data and makes an analysis of this product less meaningful. Therefore, examiners placed very little weight on this product when arriving at conclusions for this performance criterion.

Distribution of Home Mortgage Loans by Borrower Income Level						
Tulsa MSA Assessment Area						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low	21.6	6.6	7	4.1	798	2.8
Moderate	17.0	17.4	7	4.1	942	3.2
Middle	19.9	19.6	3	1.7	379	1.3
Upper	41.5	37.5	34	19.6	5,023	17.3
Not Available	0.0	18.9	122	70.5	21,879	75.4
Totals	100.0	100.0	173	100.0	29,021	100.0

Source: 2015 ACS data; 2019 HMDA Reported Data; 2019 HMDA Aggregate Data

COMMUNITY DEVELOPMENT TEST

The bank demonstrated a satisfactory record regarding the CD Test in the Tulsa MSA AA. The institution's CD performance demonstrates adequate responsiveness to CD needs in the AA through CD loans, QIs, and CD services, as appropriate, considering the institution's capacity and the need and availability of such opportunities for CD in the AA. Adequate responsiveness to the CD needs and adequate records regarding QIs and CD services, combined with an excellent record regarding CD loans, supports this conclusion.

Community Development Loans

The bank exhibited an excellent record regarding its CD loans in the Tulsa MSA AA. An excellent level regarding the dollar volume of CD loans supports this conclusion. Examiners considered the bank’s fair share contribution of such loans in the Tulsa MSA AA relative to the bank’s overall excellent CD lending record when arriving at this conclusion.

As reflected in the following table, the bank originated 26 CD loans totaling approximately \$43.1 million in the Tulsa MSA AA. By dollar volume, this equates to 99.4 percent of the institutions’ total CD loans compared to 99.1 percent of total loans originated in this AA. For comparison, the institution made 20 CD loans totaling \$12.9 million in the Tulsa MSA AA at the previous evaluation.

Community Development Lending Tulsa MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	1	265	1	265
2019	1	400	1	20	3	783	7	10,643	12	11,846
2020	3	3,335	0	0	4	2,511	1	16,000	8	21,846
YTD 2021	3	3,132	0	0	2	5,983	0	0	5	9,115
Total	7	6,867	1	20	9	9,277	9	26,908	26	43,072

Source: Bank Data

A significant majority of the CD loans, by number and dollar volume, supported efforts to revitalize and stabilize the area, which demonstrates the bank’s excellent responsiveness to a primary identified CD need.

The following lists notable examples of the bank’s CD loans in the Tulsa MSA AA.

- **Revitalize and Stabilize** – The bank originated a \$16.0 million loan to support operations and retention of employees upon a state ordered shutdown of non-essential businesses due to the COVID pandemic. Proceeds of the loan supported 11 area restaurants located in qualified enterprise zones and 2 restaurants located in low- and moderate-income geographies within the AA. The loan supported revitalization and stabilization efforts by helping to retain existing businesses and residents in the qualifying geographies.
- **Affordable Housing** – The bank originated a \$2.4 million loan to finance the purchase and rehabilitation of a 100-unit multifamily complex with rental rates below fair market rent values established by Department of Housing and Urban Development. This activity helps support affordable housing for low- and moderate-income individuals in the Tulsa MSA AA.

Qualified Investments

The bank exhibited an adequate record regarding QIs in the Tulsa MSA AA. An adequate level regarding the dollar volume of QIs supports this conclusion. Examiners considered the number and dollar volume of the bank’s QIs benefitting the Tulsa MSA AA relative to the institution’s capacity, in conjunction with the area’s needs and opportunities, when arriving at this conclusion.

As reflected in the following table, the bank made use of 12 QIs totaling approximately \$2.4 million, which includes 7 donations totaling \$159,000. By dollar volume, this equates to 99.9 percent of the bank’s total QIs compared to 95.1 percent of total deposits in this AA. For comparison, FOB reported 11 QIs totaling \$188,000 at the previous evaluation.

Qualified Investments Tulsa MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	2	785	0	0	0	0	2	785
2020	0	0	1	375	0	0	0	0	1	375
YTD 2021	0	0	2	1,100	0	0	0	0	2	1,100
Subtotal	0	0	5	2,260	0	0	0	0	5	2,260
Qualified Grants & Donations	0	0	7	159	0	0	0	0	7	159
Total	0	0	12	2,419	0	0	0	0	12	2,419

Source: Bank Data

All of the QIs in the Tulsa MSA AA benefited organizations that provide community services to low- and moderate-income individuals within the AA, which demonstrates the bank’s responsiveness to an identified CD need.

The following highlights an example of the bank’s QI activity within the Tulsa MSA AA.

- **Community Service** – FOB purchased a \$1.0 million municipal bond to fund improvements to a wastewater treatment system in a community in Tulsa County, where a majority of residents are low or moderate income. The investment enabled infrastructure improvements to support essential services for these individuals.

Additionally, in response to a statewide order to shut down non-essential services due to the COVID-19 pandemic, FOB purchased gift cards totaling \$60,000 to support local restaurants in the AA. These purchases provided cash injections for local businesses and community partners that employ low- and moderate-income individuals. Although the activity does not meet the definition of CD and is not eligible for CRA qualification, examiners commend the institution’s efforts to support community needs in response to the COVID-19 pandemic.

Community Development Services

The bank established an adequate record regarding CD services in the Tulsa MSA AA. Adequate performance regarding the types of CD services primarily support this conclusion.

Types of Services

The bank established an adequate record regarding CD services in the Tulsa MSA AA. As reflected in the following table, the bank provided 23 CD services since the previous evaluation. A majority of the services benefited community service organizations that provide services to low- and moderate-income individuals, which demonstrates the bank’s responsiveness to an identified CD need.

Community Development Services Tulsa MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	4	0	0	4
2019	0	4	0	1	5
2020	0	5	0	1	6
YTD 2021	0	7	0	1	8
Total	0	20	0	3	23
<i>Source: Bank Data</i>					

The following point highlights an example of the bank’s CD services in the Tulsa MSA AA.

- ***Community Services*** – Several bank employees taught financial education courses to third, fourth, and fifth graders in area schools in Tulsa County. The employees teach financial literacy concepts through games and exercises. This community service activity primarily benefits low- and moderate-income individuals since a majority of students in the schools participate in the free or reduced lunch program.

Availability of Services

As discussed previously, the bank does not maintain any branches or ATMs in low- or moderate-income census tracts. However, the bank only operates two offices in this AA, limiting the impact of branch distribution on the accessibility of services. Additionally, the bank provides alternative banking services in the Tulsa MSA AA consistent with those discussed previously for the institution as a whole.

OKLAHOMA NON-MSA AA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN OKLAHOMA NON-MSA AA

The bank’s Oklahoma Non-MSA AA includes all of Payne County. The bank operates one full-service branch in the AA.

Economic and Demographic Data

The AA’s 17 census tracts reflect the following income designations based on 2015 ACS data: two low-, five moderate-, six middle-, and four upper-income tracts. The following table provides select demographic data for this AA.

Demographic Information of the Assessment Area						
Oklahoma Non-MSA Assessment Area						
Demographic Characteristics	#	Low	Moderate	Middle	Upper	NA*
		% of #	% of #	% of #	% of #	% of #
Geographies (Census Tracts)	17	11.8	29.4	35.3	23.5	0.0
Population by Geography	79,423	11.7	24.6	34.8	28.9	0.0
Housing Units by Geography	34,700	8.4	27.8	36.4	27.4	0.0
Owner-Occupied Units by Geography	15,152	0.6	22	43.1	34.3	0.0
Occupied Rental Units by Geography	15,012	14.4	34.5	29.5	21.7	0.0
Vacant Units by Geography	4,536	14.7	25.2	36.3	23.8	0.0
Businesses by Geography	5,666	10.6	28.7	31.7	29.0	0.0
Farms by Geography	297	3.4	13.8	50.2	32.7	0.0
Family Distribution by Income Level	16,568	19.9	17.6	18.8	43.8	0.0
Household Distribution by Income Level	30,164	30.7	14.5	16.7	38.1	0.0
Median Family Income - OK Non-MSA	\$51,491		Median Housing Value			\$134,195
			Median Gross Rent			\$772
			Families Below Poverty Level			14.2%
<i>Source: 2015 ACS Data and 2020 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.</i>						

On June 1, 2019, FEMA made disaster declarations affecting Payne County due to severe storms. On April 5, 2020, FEMA declared Payne County a disaster area due to the COVID-19 pandemic. FEMA also made disaster declarations on December 21, 2020, and February 24, 2021, affecting Payne County due to severe winter storms. Payne County also contained six census tracts with distressed designations due to poverty in 2018, 2019, and 2020.

According to Payne County’s website, major employers in the Oklahoma Non-MSA AA include Oklahoma State University, Enbridge Energy, Stillwater Medical Center, Plains All-American Pipeline, and local area public school systems. The following table lists annual unemployment rates over the evaluation period for the AA, State of Oklahoma, and nationwide.

Annual Unemployment Rates			
Oklahoma Non-MSA Assessment Area			
Area	2018	2019	2020
	%	%	%
Payne County	2.6	2.2	3.8
State of Oklahoma	3.0	2.8	4.6
Nationwide	3.9	3.7	8.1
<i>Source: Bureau of Labor Statistics</i>			

The following table presents the low-, moderate-, middle-, and upper-income ranges based on the 2019 FFIEC-updated median family income of \$55,800 for the Oklahoma Non-MSA.

Median Family Income Ranges - Oklahoma Non-MSA				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
2019 (\$55,800)	<\$27,900	\$27,900 to <\$44,640	\$44,640 to <\$66,960	≥\$66,960
<i>Source: FFIEC</i>				

Competition

The AA presents a moderately competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2020, 18 financial institutions operate 32 offices within the AA. Of these institutions, FOB ranked tenth with a 2.0 percent deposit market share.

Credit and Community Development Needs and Opportunities

Considering information from bank management and demographic and economic information, examiners ascertained that small business and home mortgage lending represent the primary credit needs of the Oklahoma Non-MSA AA.

With respect to the area’s CD needs, demographic data showing that 37.5 percent of the area’s families reported low- or moderate-incomes, as well as 14.2 percent of families with incomes below the poverty level, suggests a need for activities that benefit projects or organizations that provide CD services targeted to these families. The disaster declarations and distressed designations further indicate a need to revitalize and stabilize the local economies in the AA.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OKLAHOMA NON-MSA AA

LENDING TEST

As noted previously, although the overall lever is deemed reasonable, due to the very limited volume of the bank’s total lending activity in this AA, a sufficient volume of loans did not exist to draw meaningful conclusions. Therefore, this evaluation does not present a Lending Test analysis for this AA.

COMMUNITY DEVELOPMENT TEST

The bank demonstrated a satisfactory record regarding the CD Test in the Oklahoma Non-MSA AA. The institution’s CD performance demonstrates adequate responsiveness to CD needs in the AA through CD loans, QIs, and CD services, as appropriate, considering the institution’s capacity and the need and availability of such opportunities for CD in the institution’s Tulsa MSA AA. Adequate responsiveness to the CD needs and adequate records regarding QIs and CD services combined with an excellent record regarding CD loans supports this conclusion.

Community Development Loans

The bank exhibited an excellent record regarding its CD loans in the Oklahoma Non-MSA AA. Although reflecting a small dollar amount, examiners considered the bank’s fair share contribution of such loans made in the AA, relative to the bank’s overall excellent CD lending record when arriving at this conclusion.

As reflected in the following table, the bank originated four CD loans totaling approximately \$250,000 in the Oklahoma Non-MSA AA. By dollar volume, this equates to 0.6 percent of the institutions’ total CD loans as compared to 0.9 percent of total loans originated in this AA, which evidences a fair share contribution to the bank’s overall excellent level.

Community Development Lending Oklahoma Non-MSA Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	2	183	2	183
YTD 2021	0	0	0	0	0	0	2	67	2	67
Total	0	0	0	0	0	0	4	250	4	250
<i>Source: Bank Data</i>										

All of the banks’ CD loans in the AA supported efforts to revitalize and stabilize the area, demonstrating the bank’s excellent responsiveness to an identified CD need. The following provides an example of the CD lending activity in the Oklahoma Non-MSA AA.

- ***Revitalize and Stabilize*** – The institution originated a \$100,000 loan to finance the purchase of needed equipment for an entity operating in a distressed census tract in the AA. This lending activity supports revitalization and stabilization efforts for attracting and/or retaining businesses and residents in qualifying geographies.

Qualified Investments

The bank exhibited an adequate record regarding its QIs in the Oklahoma Non-MSA AA. An adequate level regarding the dollar volume of QIs supports this conclusion. Examiners considered the number and dollar volume of the bank’s QIs in the AA relative to the institution’s capacity, in relation to the area’s needs and opportunities, when arriving at this conclusion.

The bank made one donation totaling \$3,000 in the Oklahoma Non-MSA MSA AA. This reflects a decrease from 13 QIs totaling \$540,000 reported for this AA at the previous evaluation. The current dollar volume equates to 0.1 percent of the bank’s adequate level of total QIs as compared to 4.9 percent of total deposits in this AA.

The following point describes the QI.

- **Community Service** – The bank donated \$3,000 to local elementary school students participating in an area economics, entrepreneurship, and finance competition. This community service activity primarily benefits low- and moderate-income individuals since the majority of students in the school participate in the free or reduced lunch program.

Community Development Services

The bank established an adequate record regarding CD services in the Oklahoma Non-MSA AA. Adequate performance regarding the types of CD services provided primarily support this conclusion.

Types of Services

The bank showed an adequate record regarding CD services in the Oklahoma Non-MSA AA. As reflected in the following table, the bank provided ten CD services since the previous evaluation. All of the services benefited organizations that provide community services to low- and moderate-income individuals, which demonstrates the bank’s responsiveness to an identified CD need.

Community Development Services Oklahoma Non-MSA Assessment Area					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	2	0	0	2
2019	0	2	0	0	2
2020	0	2	0	0	2
YTD 2021	0	4	0	0	4
Total	0	10	0	0	10
<i>Source: Bank Data</i>					

The following point highlights an example of the bank’s CD services in the Oklahoma Non-MSA AA.

- **Community Service** – A bank employee serves on the Board of a local community service organization that provides scholarships annually to Glencoe High School graduates. This community service activity primarily benefits low- and moderate-income individuals since the majority of students in the school participate in the free or reduced lunch program.

Availability of Services

As noted previously, the bank does not maintain any branches or ATMs in low- or moderate-income census tracts. However, the bank only operates one branch in this AA, limiting the impact of branch distribution on the accessibility of services. Further, the bank provides alternative banking services consistent with those discussed previously for the institution as a whole.

APPENDICES

INTERMEDIATE SMALL BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by considering the following criteria:

- 1) The bank's loan-to-deposit ratio, adjusted for seasonal variation, and, as appropriate, other lending-related activities, such as loan originations for sale to the secondary markets, community development loans, or qualified investments;
- 2) The percentage of loans, and as appropriate, other lending-related activities located in the bank's assessment area(s);
- 3) The geographic distribution of the bank's loans;
- 4) The bank's record of lending to and, as appropriate, engaging in other lending-related activities for borrowers of different income levels and businesses and farms of different sizes; and
- 5) The bank's record of taking action, if warranted, in response to written complaints about its performance in helping to meet credit needs in its assessment area(s).

Community Development Test

The Community Development Test considers the following criteria:

- 1) The number and amount of community development loans;
- 2) The number and amount of qualified investments;
- 3) The extent to which the bank provides community development services; and
- 4) The bank's responsiveness through such activities to community development lending, investment, and service needs.

GLOSSARY

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 metropolitan area/assessment area.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Institution CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Institution CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose institution:
 - (i) Has not been reported or collected by the institution or an affiliate for consideration in the institution's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the institution's assessment area(s) or a broader statewide or regional area including the institution's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the institution's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g, geographic distribution, borrower profile, 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 do 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; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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 metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities 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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as **non-MSA**): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

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

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

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

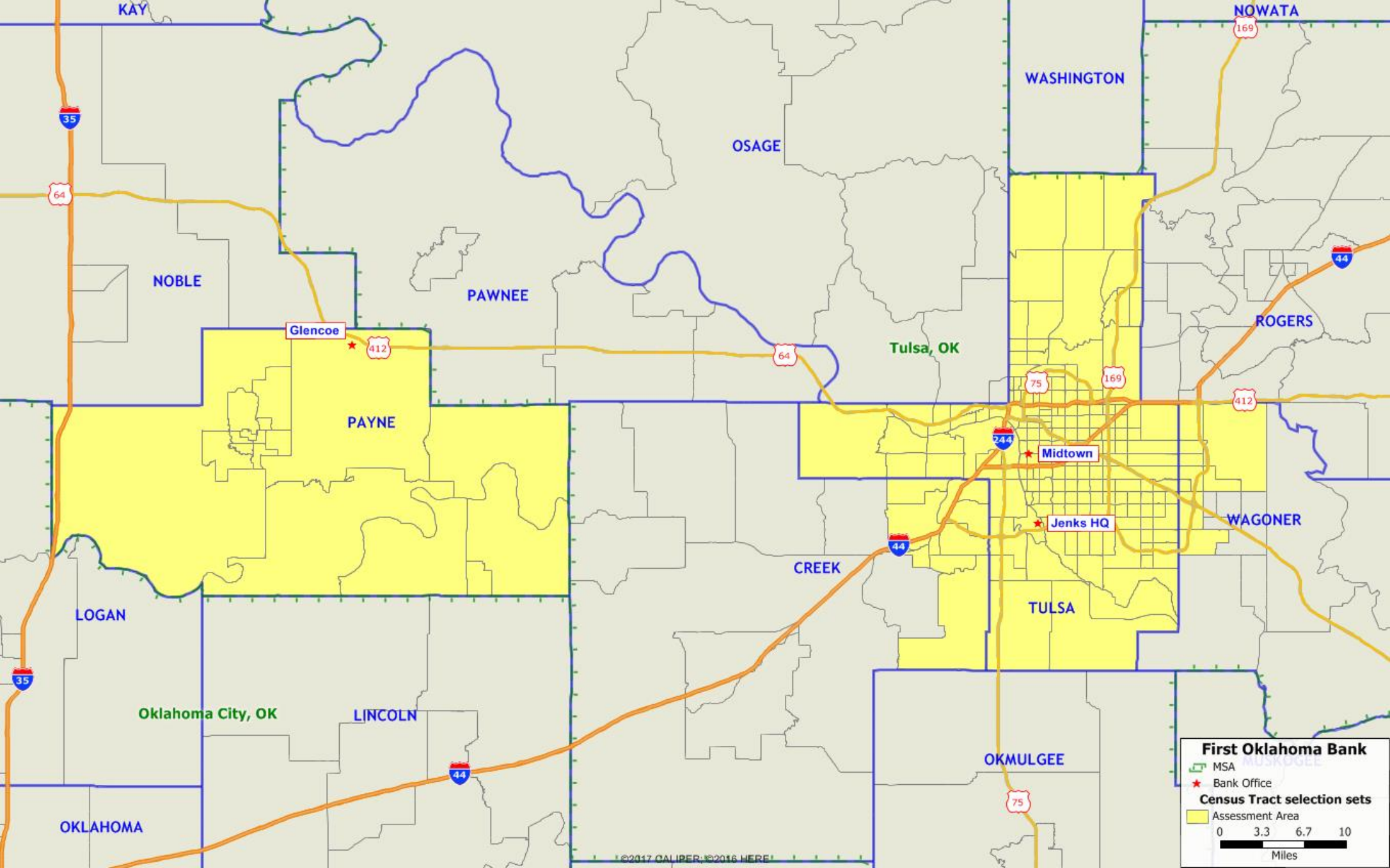
Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements,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

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.



First Oklahoma Bank

- MSA
- Bank Office

Census Tract selection sets

- Assessment Area

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Miles

**FEE SCHEDULE
SCHEDULE OF FEES**



P.O. Box 1370
Jenks, OK 74037-1370

FEES AND CHARGES. The following fees and charges may be assessed against your account:

Check printing fees vary by the style of check ordered.

An overdraft fee of \$25.00 will be charged per item for covering overdrafts created by check or draft, in-person withdrawal, ATM withdrawal, or other electronic means.

Account Research

\$20.00/hour, 1/2 hour minimum

ATM Card/Debit Card

\$5.00 per Additional or Replacement Card

Business BillPay

\$9.95 per month

Business RDA (Remote Deposit Anywhere)

\$.50 per deposit

Chargeback

\$5.00

Collection Items

\$10.00 per item

Dormant Accounts

\$5.00 per month

Fax

\$1.00 per page

Garnishments and Levies

\$15.00

Money Orders

\$2.00

Official Checks

\$5.00

Photocopies

\$.50 per page

Safe Deposit Box Rental

\$30.00 = 3x10

\$40.00 = 5x10

\$50.00 = 10x10

Statement Reprint

\$3.00

Stop Payments

\$25.00 in Person or by Phone

Wire Transfers

\$35.00 Domestic Outgoing



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\$15.00 Domestic Incoming
\$55.00 International Outgoing
\$30.00 International Incoming

Zipper Bags (5 1/2" x 10 1/2")
\$5.00

ATM Fee Refund Restrictions:

- Refund does not apply to any fee(s) other than those assessed for using a First Oklahoma Bank Debit/ATM card at an ATM.
- Bring or send a copy of your receipts to us within 90 days of the transaction date.
- Max of \$5 per occurrence and \$25 per month (based on transaction date) eligible for refund, including international fees.

