



PUBLIC DISCLOSURE

April 10, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Payne County Bank
RSSD# 455150

202 South Main Street
Perkins, Oklahoma 74059

Federal Reserve Bank of Kansas City
1 Memorial Drive
Kansas City, Missouri 64198

NOTE: This document is an evaluation of this bank'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 bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S COMMUNITY REINVESTMENT ACT RATING

The Payne County Bank (the bank) is rated Satisfactory. This rating is based on the following conclusions with respect to the performance criteria:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment areas (AAs) credit needs.
- A majority of the bank's loans are originated inside the AAs.
- A reasonable distribution of loans occurs throughout the bank's AAs.
- Lending reflects a reasonable distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses and farms of different sizes.
- Neither the bank nor the Federal Reserve Bank of Kansas City (Reserve Bank) received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Small Institutions* to evaluate the bank's CRA performance. The evaluation considered CRA performance context, including the bank's asset size, financial condition, business strategy and market competition, as well as AA demographic and economic characteristics, and credit needs. In addition, available aggregate data for the most recent three years (2019, 2020, and 2021) was referenced for additional perspective to gauge credit demand within the bank's AAs. Lending performance was assessed within the bank's two AAs. The Payne County AA was assessed using a full scope review. The Central Oklahoma Metropolitan Statistical Area (MSA) AA was assessed using a limited scope review. Examiners reviewed the following data:

- The bank's 17-quarter average NLTD ratio.
- A total of 89 home mortgage loans from a universe of 158, 103 small business loans from a universe of 208, and 119 small farm loans from a universe of 289, were evaluated with a review period from January 1, 2022, through December 31, 2022.

DESCRIPTION OF INSTITUTION

The bank is a community bank headquartered in Perkins, Oklahoma. The bank’s characteristics include:

- The bank is wholly owned by Payne County Bancshares, Inc., a one-bank holding company located in Perkins, Oklahoma.
- The bank has total assets of \$212.8 million as of September 30, 2022.
- In addition to the main office, the bank operates a limited-service facility, both in Perkins, Oklahoma, and one full-service branch in Chandler, Oklahoma.
- The bank owns and operates five cash-only automated teller machines (ATMs), with three being located at each branch, one at a standalone location in Perkins, Oklahoma, and one at a standalone location in Davenport, Oklahoma. The bank also leases one additional cash-only ATM under the bank’s name in Stillwater.
- As shown in Table 1, the bank’s primary business focus is residential real estate, commercial and agricultural lending.

Table 1

Composition of Loan Portfolio as of September 30, 2022		
Loan Type	\$(000)	%
Construction and Land Development	5,751	4.1
Farmland	16,236	11.7
1- to 4-Family Residential Real Estate	56,564	40.7
Multifamily Residential Real Estate	866	0.6
Nonfarm Nonresidential Real Estate	14,571	10.5
Agricultural	16,906	12.2
Commercial and Industrial	14,352	10.3
Consumer	12,497	9.0
Other	1,181	0.9
Gross Loans	138,924	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

The bank was rated Satisfactory under the CRA at its February 4, 2019 performance evaluation. There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA¹

This performance evaluation first discusses the bank’s overall performance, followed by an in-depth evaluation of performance in the Payne County AA (full scope review); and a brief discussion of performance in the Central Oklahoma MSA AA (limited scope review).

The bank’s overall lending test performance is Satisfactory based on a reasonable NLTD ratio, a majority of loans originated within the bank’s AAs, a reasonable geographic distribution of loans, and a reasonable borrower distribution of loans within the bank’s full-scope review AA. The institution’s lending performance in the Central Oklahoma MSA AA was consistent with the institution’s performance overall.

An equal weight was placed on each lending category given the bank’s current loan portfolio composition.

Net Loan-to-Deposit Ratio

This performance criterion evaluates the bank’s average NLTD ratio to determine the reasonableness of lending in light of performance context, such as the bank’s capacity to lend, the availability of lending opportunities, the demographic and economic factors present in the AAs, and in comparison to similarly situated Federal Deposit Insurance Corporation (FDIC)-insured institutions. The similarly situated institutions were selected based on their geographic location in Oklahoma, asset size and loan portfolio composition. The bank’s NLTD ratio is reasonable. The bank’s 17-quarter NLTD ratio at 74.2 percent is within the range of the five similarly situated banks, with ratios ranging from 56.3 percent to 92.2 percent.

Table 2

Comparative NLTD Ratios September 30, 2018 – September 30, 2022			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			17 Quarter Average
The Payne County Bank	Perkins, Oklahoma	212,792	74.2
Similarly Situated Institutions			
The City National Bank and Trust Company of Lawton, Oklahoma	Lawton, Oklahoma	431,779	69.0
Exchange Bank and Trust Company	Perry, Oklahoma	371,611	68.3
The Bank, National Association	McAlester, Oklahoma	458,489	56.3
Oklahoma State Bank	Guthrie, Oklahoma	219,523	92.2
Community Bank	Bristow, Oklahoma	112,390	70.9

¹ The net loan to deposit ratio and percentage of loans and other lending-related activity in the assessment area only apply to the institution overall. No discussion of these performance criteria applies to sections of the performance evaluation related to assessment areas.

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AAs. As illustrated in Table 3, the bank originated a majority of loans, by number and dollar volume, inside the delineated AAs.

Table 3

Lending Inside and Outside the Assessment Areas								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Residential Loans	78	87.6	11,369	85.7	11	12.4	1,890	14.3
Small Business	85	82.5	5,277	72.4	18	17.5	2,008	27.6
Small Farm	106	89.1	6,191	79.9	13	10.9	1,561	20.1
Total Loans	269	86.5	22,837	80.7	42	13.5	5,549	19.3
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>								

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AAs by income level of census tracts with consideration given to the dispersion of loans throughout the AAs. The bank’s overall geographic distribution of loans reflects a reasonable distribution among the different census tracts and dispersion throughout the AAs. The ratings for the Payne County AA and the Central Oklahoma MSA AA are consistent with the overall rating, and there were no material differences between the conclusions of each AA.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses and farms of different revenue sizes. The bank’s lending has an overall reasonable distribution among individuals of different income levels and businesses and farms of different sizes. The ratings for the Payne County AA and the Central Oklahoma MSA AA, are consistent with the overall rating, and there were no material differences between the conclusions of each AA.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Compliance with the substantive provisions of antidiscrimination and other consumer protection laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act, was considered as part of this CRA evaluation. No evidence of a pattern or practice of discrimination on a prohibited basis or of other illegal credit practices inconsistent with helping to meet community credit needs was identified.

**PAYNE COUNTY ASSESSMENT AREA
(Full Scope Review)**

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN PAYNE COUNTY AA

The bank's Payne County AA consists of Payne County in its entirety and two tracts in Creek County (see Appendix A for an AA map and Appendix B for additional demographic data).

- The bank's AA has changed since the previous examination. The bank's previous AA included Payne County in its entirety, one tract in Lincoln County and one tract in Logan County. The Payne County AA now reflects Payne County in its entirety and two census tracts in adjacent Creek County.
- In addition to its main office, the bank operates one limited-service facility, both located in Perkins, Oklahoma.
- The bank operates three cash-only ATMs in Perkins, and leases one cash-only ATM under the bank name in Stillwater, Oklahoma.
- The AA is comprised of two low-, eight moderate-, seven middle-, six upper-, and two unknown-income census tracts. At the previous evaluation on February 4, 2019, the AA had two low-, five moderate-, six middle-, and four upper-income census tracts.
- An analysis was conducted to understand what factors may impact the bank's ability to penetrate the two low-income census tracts located in Stillwater. According to the 2020 U.S. Census, approximately 75.0 percent of all housing units located in the two low-income census tracts are rental units, in addition to only 0.9 percent of all housing units in the area being owner-occupied. Furthermore, examiners determined the two low-income census tracts are located next to a large state university (Oklahoma State University) which can also impact the level of demand for credit in the area.
- According to the June 30, 2022 FDIC Market Share Reports, the bank's deposit market share was 5.6 percent for the Payne County AA, which ranked 6th out of the 22 FDIC-insured institutions operating in the AA.
- An interview with a community member within the bank's AA was conducted to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and for perspective on local economic conditions. The community member represented an area economic development organization.

Table 4

Population Change			
Assessment Area: Payne County			
Area	2015 Population	2020 Population	Percent Change
Payne County AA	150,184	153,400	2.1
Creek County, OK	70,761	71,754	1.4
Payne County, OK	79,423	81,646	2.8
NonMSA Oklahoma	1,333,350	1,289,548	(3.3)
Tulsa, OK MSA	962,676	1,015,331	5.5
Oklahoma	3,849,733	3,959,353	2.8

*Source: 2011-2015 U.S. Census Bureau American Community Survey
2020 U.S. Census Bureau Decennial Census*

All data presented is at the county level and some values may be different than expected for this AA which includes a partial county.

- According to the 2020 U.S. Census, residents between 18 to 24 years accounts for 25.9 percent of the population in the AA compared to the statewide figure of 9.6 percent and other nonmetropolitan areas in Oklahoma at 10.2 percent.
- At 13.3 percent, the proportion of the AA population age 65 and older is less than the statewide figure of 15.6 percent and other nonmetropolitan areas in Oklahoma at 18.3 percent.

Table 5

Median Family Income Change			
Assessment Area: Payne County			
Area	2015 Median Family Income	2020 Median Family Income	Percent Change
Payne County AA	59,382	65,713	10.7
Creek County, OK	59,697	66,569	11.5
Payne County, OK	59,165	66,281	12.0
NonMSA Oklahoma	56,258	58,565	4.1
Tulsa, OK MSA	66,846	72,203	8.0
Oklahoma	63,401	67,511	6.5

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey*

Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.

All data presented is at the county level and some values may be different than expected for this AA which includes a partial county.

- The AA contains a concentration of families below the poverty level at 11.7 percent was comparable to the statewide figure of 11.3 percent but below the nonmetropolitan figure at 13.5 percent.

Table 6

Housing Cost Burden						
Assessment Area: Payne County						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Payne County AA	72.4	46.7	46.9	49.2	21.4	16.1
Creek County, OK	55.8	24.0	32.0	44.3	15.6	15.6
Payne County, OK	79.8	58.2	53.9	59.5	31.4	16.6
NonMSA Oklahoma	64.4	27.6	34.5	48.4	21.4	15.5
Tulsa, OK MSA	72.4	32.8	39.3	54.7	26.8	16.4
Oklahoma	71.1	30.5	37.9	52.5	24.5	16.0

Cost Burden is housing cost that equals 30 percent or more of household income.
Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy
All data presented is at the county level and some values may be different than expected for this AA which includes a partial county.

- The median housing value in the AA at \$166,538 is above the statewide figure of \$142,400 and the nonmetropolitan figure of \$110,370.
- Owner-occupied units comprise 45.3 percent of the housing found within the AA.
- Rental units in the AA at 40.1 percent, is above the statewide figure of 29.1 percent and the nonmetropolitan figure of 24.5 percent.
- The median gross rent in the AA at \$803 is below the statewide figure of \$818 but above the nonmetropolitan figure of \$698.
- The AAs affordability ratio² of 24.5 percent is lower than the statewide figure of 37.8 percent and the nonmetropolitan figure of 42.0 percent.

Table 7

Unemployment Rates					
Assessment Area: Payne County					
Area	2017	2018	2019	2020	2021
Payne County	4.0	3.2	3.1	5.9	3.7
Creek County, OK	4.7	3.7	3.5	6.6	4.2
Payne County, OK	3.4	2.8	2.7	5.3	3.2
NonMSA Oklahoma	4.3	3.5	3.4	6.0	3.8
Tulsa, OK MSA	4.2	3.3	3.1	6.5	4.0
Oklahoma	4.0	3.3	3.1	6.2	3.8

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics
All data presented is at the county level and some values may be different than expected for this AA which includes a partial county.

- A community member indicated the major industries operating in the area include restaurants, retail trade, and manufacturing, and added that the largest employers operating in the area include OnCue (gas station chain), Eskimo

² The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

Joe’s (restaurant chain), Kicker World, Stillwater Medical Center, and Oklahoma State University.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN PAYNE COUNTY AA

The overall geographic distribution of lending in the Payne County AA is reasonable. Additionally, the overall distribution of lending to borrowers of different incomes and businesses and farms of different sizes is reasonable.

Geographic Distribution of Loans

The bank’s geographic distribution of loans reflects reasonable dispersion and distribution among the different census tracts throughout the AA.

Home Mortgage Lending

The geographic distribution of home mortgage lending is reasonable. As illustrated in Table 8, the bank’s lending in both low- and moderate-income census tracts were comparable to the demographic figures. In addition, an evaluation of the bank’s dispersion of home mortgage lending revealed no material gaps or lapses throughout the AA.

Table 8

Distribution of 2022 Residential Lending By Income Level of Geography					
Assessment Area: Payne County					
Geographic Income Level	Bank Loans				Owner Occupied Units %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.1
Moderate	13	23.2	1,436	18.3	25.1
Middle	13	23.2	2,262	28.9	32.6
Upper	30	53.6	4,135	52.8	41.5
Unknown	0	0.0	0	0.0	0.7
Total	56	100.0	7,833	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The geographic distribution of small business lending is reasonable. As illustrated in Table 9, the bank’s lending in the moderate-income census tracts by number volume was below the demographic figure. Information obtained from a community member indicated economic conditions in Payne County remain extremely competitive given the number of

financial institutions operating in the area, and many businesses try to leverage rural funds, grants, and tax increment financing as a source of funding which further limits opportunity.

A three-year analysis of aggregate lending trend data from 2019 to 2021, filed by all CRA data reporters in the AA, was utilized to gauge credit demand within the moderate-income census tracts. While aggregate CRA data is not a direct comparator in evaluating the bank’s performance, this data reflects a low overall demand in the moderate-income census tracts in the AA, which further supports the bank’s small business lending performance.

According to the June 30, 2022 Deposit Market Share Report, there are 21 other FDIC-insured institutions operating out of 49 offices located within the Payne County AA, compared to the bank operating out of a single office in the AA. When factoring in the level of competition, information obtained from a community member, and the number of branches within the AA, the bank’s level of penetration in moderate-income census tracts is reasonable.

Lastly, an evaluation of the bank’s dispersion of small business lending was conducted, and revealed no material gaps or lapses throughout the AA.

Table 9

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Payne County					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	18	28.6	806	22.1	44.1
Middle	15	23.8	1,413	38.7	41.9
Upper	30	47.6	1,429	39.2	11.2
Unknown	0	0.0	0	0.0	2.8
Total	63	100.0	3,648	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Small Farm Lending

The geographic distribution of small farm lending is reasonable. As illustrated in Table 10, the bank’s lending in the moderate-income census tracts by number volume was below the demographic figure. Information from a community member indicated small farms in the area have the ability to obtain loan financing through various means including private

organizations, state funding programs, and grants from the United States Department of Agriculture.

A three-year analysis of aggregate lending trend data from 2019 to 2021, filed by all CRA data reporters in the AA, was utilized to gauge credit demand within the moderate-income census tracts. While aggregate CRA data is not a direct comparator in evaluating the bank’s performance, this data reflects low overall demand in the moderate-income census tracts in the AA, which further supports the bank’s small farm lending performance.

Lastly, an evaluation of the bank’s dispersion of small farm lending also revealed no material gaps or lapses throughout the AA.

Table 10

Distribution of 2022 Small Farm Lending By Income Level of Geography					
Assessment Area: Payne County					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	0.0
Moderate	13	21.3	774	19.0	39.7
Middle	22	36.1	1,837	45.0	31.0
Upper	26	42.6	1,467	36.0	27.6
Unknown	0	0.0	0	0.0	1.7
Total	61	100.0	4,078	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Borrowers of Different Income Levels and to Businesses and Farms of Different Sizes

The bank’s lending has a reasonable distribution among individuals of different income levels and businesses and farms of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is reasonable. As illustrated in Table 11, lending to low-income borrowers was below the percentage of low-income families in the AA, while lending to moderate-income borrowers was comparable to the percentage of moderate-income families.

Demand for home mortgage loans by low-income borrowers is depressed in the AA, as 72.4 percent of low-income renters are considered cost burdened. Cost burdened

individuals often have challenges in accumulating sufficient funds for a mortgage loan down payment. Further, information obtained from a community member indicated homes available for purchase in Payne County are relatively limited and a large portion of homes in the area are owner-occupied. Based on this additional context, the bank’s home mortgage lending performance is considered reasonable.

Table 11

Distribution of 2022 Residential Lending By Borrower Income Level					
Assessment Area: Payne County					
Borrower Income Level	Bank Loans				Families by Family
	#	#%	\$(000)	%	Income %
Low	7	12.5	253	3.2	19.2
Moderate	10	17.9	765	9.8	17.5
Middle	20	35.7	2,148	27.4	17.0
Upper	19	33.9	4,667	59.6	46.2
Unknown	0	0.0	0	0.0	0.0
Total	56	100.0	7,833	100.0	100.0

*Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey*

Note: Percentages may not total 100.0 percent due to rounding.

Small Business Lending

The borrower distribution of small business lending is reasonable. As shown in Table 12, the bank’s lending at 88.9 percent to businesses with gross annual revenues of \$1MM or less is comparable to the percentage of total businesses operating in the AA at 90.4 percent.

Table 12

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Payne County					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	56	88.9	3,193	87.5	90.4
Over \$1 Million	4	6.3	373	10.2	8.3
Revenue Unknown	3	4.8	81	2.2	1.2
Total	63	100.0	3,648	100.0	100.0
By Loan Size					
\$100,000 or Less	55	87.3	1,494	41.0	
\$100,001 - \$250,000	5	7.9	731	20.0	
\$250,001 - \$1 Million	3	4.8	1,422	39.0	
Total	63	100.0	3,648	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	49	87.5	1,240	38.8	
\$100,001 - \$250,000	4	7.1	531	16.6	
\$250,001 - \$1 Million	3	5.4	1,422	44.5	
Total	56	100.0	3,193	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Small Farm Lending

The borrower distribution of small farm lending is reasonable. As shown in Table 13, the bank’s lending at 91.8 percent to small farms with gross annual revenues of \$1MM or less is comparable to the percentage of total farms operating in the AA at 98.3 percent.

Table 13

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Payne County					
	Bank Loans				Total Farms
	#	#%	\$(000)	%	%
By Revenue					
\$1 Million or Less	56	91.8	3,483	85.4	98.3
Over \$1 Million	4	6.6	590	14.5	1.7
Revenue Unknown	1	1.6	5	0.1	0.0
Total	61	100.0	4,078	100.0	100.0
By Loan Size					
\$100,000 or Less	45	73.8	1,159	28.4	
\$100,001 - \$250,000	13	21.3	1,947	47.7	
\$250,001 - \$500,000	3	4.9	972	23.8	
Total	61	100.0	4,078	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	43	76.8	1,064	30.5	
\$100,001 - \$250,000	10	17.9	1,447	41.5	
\$250,001 - \$500,000	3	5.4	972	27.9	
Total	56	100.0	3,483	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

**CENTRAL OKLAHOMA METROPOLITAN ASSESSMENT AREA
METROPOLITAN AREA
(Limited Scope Review)**

**DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN CENTRAL OKLAHOMA
METROPOLITAN AA**

The Central Oklahoma MSA AA consists of Lincoln County in its entirety and one tract in Logan County, both in Oklahoma. Refer to Appendix A for a map of the AA, as well as Appendix C for lending performance.

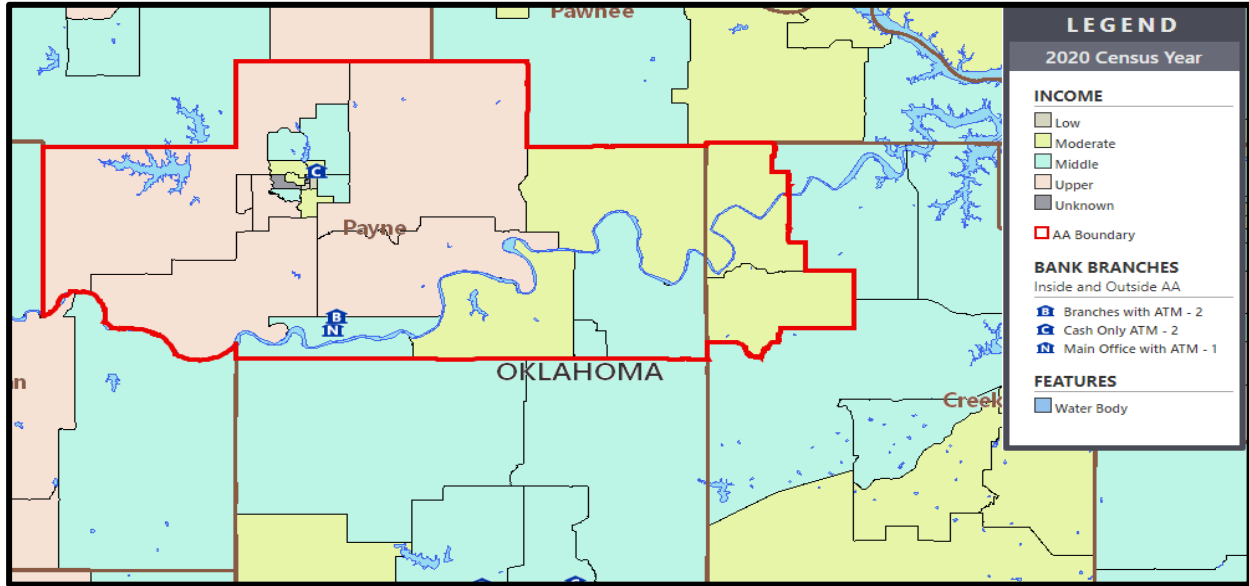
- The Central Oklahoma MSA AA is new since the previous examination and is comprised of three moderate- and six middle-income census tracts. There are no low- or upper-income census tracts. The bank converted a loan production office in Chandler, Oklahoma, to a full-service branch in August 2020, which created the Central Oklahoma MSA AA.
- The bank operates one full-service branch with a cash-only ATM in Chandler, Oklahoma. The bank also operates one cash-only ATM located in Davenport, Oklahoma.
- According to the June 30, 2022 FDIC Market Share Reports, the bank's deposit market share was 0.6 percent for the Central Oklahoma MSA AA, which ranked 9th out of the 10 FDIC-insured institutions operating in the counties.
- According to 2020 Census data, the AA's population is 37,673.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN CENTRAL
OKLAHOMA METROPOLITAN AA**

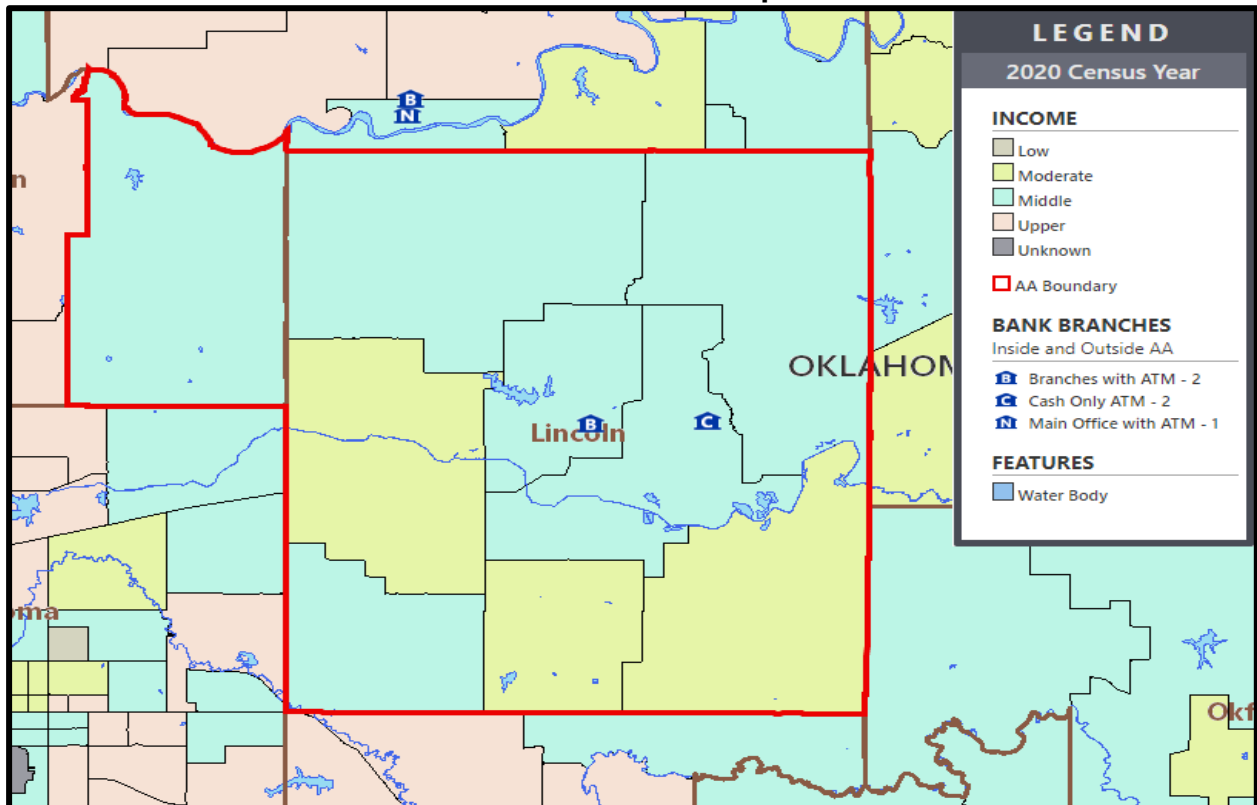
Performance in the Central Oklahoma MSA AA was evaluated using limited-scope examination procedures. The bank's lending activity in the AA included 22 home mortgage loans, 45 small farm loans and 22 small business loans originated between January 1, 2022, and December 31, 2022. The institution's lending performance in the AA is consistent with the institution's lending performance overall.

APPENDIX A – MAPS OF THE ASSESSMENT AREAS

Map A-1
Payne County



Map A-2
Central Oklahoma Metropolitan



APPENDIX B – DEMOGRAPHIC INFORMATION

**Payne County AA
Table B-1**

2022 Payne County AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	2	8.0	127	0.7	109	85.8	3,441	19.2
Moderate	8	32.0	4,561	25.5	778	17.1	3,138	17.5
Middle	7	28.0	6,352	35.5	857	13.5	3,053	17.0
Upper	6	24.0	6,556	36.6	307	4.7	8,286	46.2
Unknown	2	8.0	322	1.8	39	12.1	0	0.0
Total AA	25	100.0	17,918	100.0	2,090	11.7	17,918	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	1,925	17	0.1	0.9	1,443	75.0	465	24.2
Moderate	11,835	4,464	25.1	37.7	5,322	45.0	2,049	17.3
Middle	13,072	5,797	32.6	44.3	5,361	41.0	1,914	14.6
Upper	10,634	7,382	41.5	69.4	2,472	23.2	780	7.3
Unknown	1,790	127	0.7	7.1	1,160	64.8	503	28.1
Total AA	39,256	17,787	100.0	45.3	15,758	40.1	5,711	14.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	798	44.1	710	43.4	72	47.7	16	72.7
Middle	758	41.9	690	42.2	66	43.7	2	9.1
Upper	203	11.2	189	11.6	11	7.3	3	13.6
Unknown	50	2.8	47	2.9	2	1.3	1	4.5
Total AA	1,809	100.0	1,636	100.0	151	100.0	22	100.0
Percentage of Total Businesses:				90.4		8.3		1.2
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	23	39.7	23	40.4	0	0.0	0	0.0
Middle	18	31.0	18	31.6	0	0.0	0	0.0
Upper	16	27.6	15	26.3	1	100.0	0	0.0
Unknown	1	1.7	1	1.8	0	0.0	0	0.0
Total AA	58	100.0	57	100.0	1	100.0	0	0.0
Percentage of Total Farms:				98.3		1.7		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

**Central Oklahoma Metropolitan AA
Table B-2**

2022 Central Oklahoma Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	0	0.0	0	0.0	0	0.0	2,777	28.2
Moderate	3	33.3	3,197	32.5	520	16.3	1,780	18.1
Middle	6	66.7	6,644	67.5	684	10.3	2,198	22.3
Upper	0	0.0	0	0.0	0	0.0	3,086	31.4
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	9	100.0	9,841	100.0	1,204	12.2	9,841	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	0	0	0.0	0.0	0	0.0	0	0.0
Moderate	5,663	3,704	32.3	65.4	1,044	18.4	915	16.2
Middle	11,228	7,758	67.7	69.1	1,702	15.2	1,768	15.7
Upper	0	0	0.0	0.0	0	0.0	0	0.0
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	16,891	11,462	100.0	67.9	2,746	16.3	2,683	15.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	291	28.0	253	27.4	30	36.6	8	23.5
Middle	748	72.0	670	72.6	52	63.4	26	76.5
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	1,039	100.0	923	100.0	82	100.0	34	100.0
Percentage of Total Businesses:				88.8		7.9		3.3
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	0	0.0	0	0.0	0	0.0	0	0.0
Moderate	18	21.7	18	22.0	0	0.0	0	0.0
Middle	65	78.3	64	78.0	1	100.0	0	0.0
Upper	0	0.0	0	0.0	0	0.0	0	0.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	83	100.0	82	100.0	1	100.0	0	0.0
Percentage of Total Farms:				98.8		1.2		0.0

Source: 2022 FFIEC Census Data
 2022 Dun & Bradstreet Data
 2016-2020 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

APPENDIX C – LIMITED SCOPE REVIEW ASSESSMENT AREA TABLES

**Central Oklahoma Metropolitan AA
Table C-1**

Distribution of 2022 Residential Lending By Income Level of Geography					
Assessment Area: Central Oklahoma Metropolitan					
Geographic Income Level	Bank Loans				Owner Occupied
	#	#%	\$(000)	\$%	Units %
Low	0	0.0	0	0.0	0.0
Moderate	3	13.6	522	14.8	32.3
Middle	19	86.4	3,015	85.2	67.7
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	22	100.0	3,537	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-2

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Central Oklahoma Metropolitan					
Geographic Income Level	Bank Loans				Total
	#	#%	\$(000)	\$%	Businesses %
Low	0	0.0	0	0.0	0.0
Moderate	2	9.1	100	6.1	28.0
Middle	20	90.9	1,529	93.9	72.0
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	22	100.0	1,629	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-3

Distribution of 2022 Small Farm Lending By Income Level of Geography					
Assessment Area: Central Oklahoma Metropolitan					
Geographic Income Level	Bank Loans				Total Farms %
	#	#%	\$(000)	%	
Low	0	0.0	0	0.0	0.0
Moderate	4	8.9	441	20.9	21.7
Middle	41	91.1	1,672	79.1	78.3
Upper	0	0.0	0	0.0	0.0
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	45	100.0	2,113	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-4

Distribution of 2022 Residential Lending By Borrower Income Level					
Assessment Area: Central Oklahoma Metropolitan					
Borrower Income Level	Bank Loans				Families by Family Income %
	#	#%	\$(000)	%	
Low	5	22.7	198	5.6	28.2
Moderate	5	22.7	567	16.0	18.1
Middle	6	27.3	1,194	33.8	22.3
Upper	6	27.3	1,578	44.6	31.4
Unknown	0	0.0	0	0.0	0.0
Total	22	100.0	3,537	100.0	100.0

Source: 2022 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Table C-5

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Central Oklahoma Metropolitan					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	22	100.0	1,629	100.0	88.8
Over \$1 Million	0	0.0	0	0.0	7.9
Revenue Unknown	0	0.0	0	0.0	3.3
Total	22	100.0	1,629	100.0	100.0
By Loan Size					
\$100,000 or Less	17	77.3	454	27.9	
\$100,001 - \$250,000	3	13.6	400	24.6	
\$250,001 - \$1 Million	2	9.1	775	47.6	
Total	22	100.0	1,629	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	17	77.3	454	27.9	
\$100,001 - \$250,000	3	13.6	400	24.6	
\$250,001 - \$1 Million	2	9.1	775	47.6	
Total	22	100.0	1,629	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

Table C-6

Distribution of 2022 Small Farm Lending By Revenue Size of Farms					
Assessment Area: Central Oklahoma Metropolitan					
	Bank Loans				Total Farms
	#	%	\$(000)	%	%
By Revenue					
\$1 Million or Less	44	97.8	2,109	99.8	98.8
Over \$1 Million	0	0.0	0	0.0	1.2
Revenue Unknown	1	2.2	4	0.2	0.0
Total	45	100.0	2,113	100.0	100.0
By Loan Size					
\$100,000 or Less	40	88.9	922	43.6	
\$100,001 - \$250,000	3	6.7	534	25.3	
\$250,001 - \$500,000	2	4.4	657	31.1	
Total	45	100.0	2,113	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	39	88.6	918	43.5	
\$100,001 - \$250,000	3	6.8	534	25.3	
\$250,001 - \$500,000	2	4.5	657	31.2	
Total	44	100.0	2,109	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

APPENDIX D – 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.

Census tract: 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 statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas; or designated distressed or underserved nonmetropolitan middle-income geographies.

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

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

Full-scope review: Performance is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

Limited-scope review: Performance is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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.

Nonmetropolitan area (NonMSA): Any area that is not located within an MSA.

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 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. For these institutions, no state ratings will be received unless the bank also maintains deposit facilities outside of the multistate metropolitan area. CRA activity is captured in either a state rating or a multistate metropolitan area rating, but not both.

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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the Consolidated Reports of Condition and Income (Call Report) instructions. 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.

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