



PUBLIC DISCLOSURE

FEBRUARY 25, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**FIRST AMERICAN BANK
RSSD# 462756**

**324 WEST MAIN STREET
PURCELL, OKLAHOMA 73080**

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

NOTE:

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, 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'S CRA RATING: *This institution is rated: Satisfactory*
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

First American Bank (the bank) has a satisfactory record of helping to meet the credit needs of its entire assessment area (AA), including low- and moderate-income (LMI) geographies, borrowers of different income levels, and businesses of different revenue sizes in a manner consistent with its resources, operating philosophy, and community credit needs.

Major factors supporting the institution's rating include:

Lending Test:

- A substantial majority of the bank's loans were originated within its designated AA;
- The bank's net loan-to-deposit (NLTD) ratio reflected a reasonable effort to extend credit in the AA;
- The distribution of residential real estate and commercial loans reflected reasonable penetration throughout AA geographies; and,
- The distribution of loans to borrowers of different income levels and among businesses of different revenue sizes was reasonable.

Community Development Test:

- The bank demonstrated a reasonable responsiveness to the community development needs of its AA through its level of qualified community development loans, investments, donations, and services in consideration of AA demographics, community development opportunities in the area, and competition for such activities among local institutions;
- A reasonable volume of community development lending and investments was generated by the bank, including a significant increase since the previous examination;
- Bank personnel participated in a reasonable amount of community development services in designated AAs; and,
- The bank's branches, products, services, and delivery systems are reasonably accessible within the bank's AAs.

SCOPE OF EXAMINATION

An evaluation of the bank's performance under the Community Reinvestment Act (CRA) commenced the week of February 25, 2013, using the Federal Financial Institution Examination Council's Interagency Examination Procedures for Intermediate Small Banks. The intermediate small bank procedures assign an overall rating based on the bank's performance under two equally weighted tests: the Lending Test and the Community Development Test. The bank's performance under these tests was compared to demographic data and the aggregate performance of other banks operating within its AAs.

Conclusions regarding the Lending Test criteria were based on data compiled from the bank's major product lines, which were commercial and residential real estate loans held in portfolio. The major product lines were determined through discussions with bank management, a review of the bank's December 31, 2012 Report of Condition and Income (Call Report), and a review of the number of loans originated since the bank's last CRA examination in November 2010.

The CRA evaluation analyzed the bank's Home Mortgage Disclosure Act (HMDA) data for years 2011 and 2012, as well as a statistically selected sample of 70 commercial loans from a universe of 152 loans originated between July 1, 2011 and December 31, 2011. Commercial loans from 2011 were used because Dun & Bradstreet (D&B) and aggregate CRA data for 2012 were not available at the time this evaluation was conducted. The geographic distribution for the bank's business loans used 2011 D&B data for analysis, which was based on 2000 Census data. Although the bank does not collect data on its small business lending, its record of lending in this area was also compared to AA financial institutions that report this data, also referred to as 2011 aggregate CRA data, for comparative purposes. Comparisons were also made with regard to the bank's lending performance using AA demographic data. Although residential real estate lending is one of the largest credit products by number of originations, commercial lending is the bank's predominant product by dollar volume. For this reason, primary consideration was given to the analysis of commercial loans.

The Lending Test first considered the bank's NLTD ratio since the previous examination. The analysis also determined the percentage of bank lending that occurred inside its designated AAs, based on the loan samples reviewed. The third component of the Lending Test evaluated the bank's performance by comparing residential real estate loans reported on its HMDA Loan/Applications Register (LAR) to the percentages of LMI borrowers residing inside its designated AAs. The Lending Test also included an analysis of the bank's small business loans compared to the percentage of small businesses located inside its AAs. The fourth Lending Test criteria utilized the bank's HMDA data and small business loan sample to evaluate the bank's ability to reach all portions of its designated markets. Finally, the bank's responsiveness to CRA complaints, the fifth core Lending Test criterion used to assess the bank's lending performance was not evaluated as the bank has not received any such complaints since the last evaluation.

The Community Development Test considered the number and amount of the bank's qualified community development loans, investments, donations, and services, as well as the responsiveness of these activities to the community development needs of its AAs. Conclusions about the Community Development Test criteria were based on a review of the bank's community development activities since the last evaluation on November 29, 2010 through February 25, 2013, and an assessment of the community development opportunities available in the area, as well as the competition for such activities among local institutions. Interviews with members of the AA communities were conducted during the evaluation to ascertain the specific credit needs, the availability of community development opportunities, and economic conditions pertinent to the bank's AAs. In addition, community contacts recently conducted in the AAs in conjunction with other examinations by the Federal Deposit Insurance Corporation (FDIC) were also referenced. The community contacts included a hospital administrator, as well as

representatives from the postal service, a community service organization, and a chamber of commerce.

There are no legal or financial constraints that impede the bank's ability to help meet the credit needs in its AAs.

DESCRIPTION OF INSTITUTION

The bank is a full-service financial institution offering a variety of banking products and services. The bank's business focus has primarily centered on commercial and residential real estate lending, although it is not actively engaged in selling home mortgage loans on the secondary market. As of the December 31, 2012 Call Report, the bank had total assets of \$330 million. Commercial lending represented 55.9 percent of the bank's loan portfolio, followed by residential real estate lending, at 29.3 percent. For a complete breakdown of the bank's lending portfolio as of December 31, 2012, refer to Table 1 below.

TABLE 1 FIRST AMERICAN BANK LOAN PORTFOLIO		
Loan Type	Amount \$(000)	Percent of Total
Commercial	112,384	55.9
Residential Real Estate	58,791	29.3
Agricultural	15,673	7.8
Consumer	9,454	4.7
Other	4,522	2.3
Gross Loans	200,824	100.0

The bank is headquartered in Purcell, Oklahoma, a small community located in the central portion of the state and directly south of Oklahoma City and Norman. It is a wholly owned subsidiary of Consolidated Equity Corporation, a one-bank holding company located in Norman, Oklahoma. In addition to its headquarters, the bank operates eight other branches in its two AAs. Finally, the bank operates nine full-service automated teller machines (ATMs) and two cash dispensing ATMs in its AAs.

Table 2 shows the loans subject to review for this examination. The volume of HMDA loans reviewed far outweighs the volume of business loans, as the bank's entire HMDA LAR was utilized for the evaluation, while only a limited sample of business loans was utilized. This percentage reviewed is not indicative of the overall loan mix in the bank's loan portfolio. Given the loan mix, business lending received considerably more weight in the overall rating.

Loan Type	#	%¹	\$(000s)	%
Home Purchase	225	25.1	22,764	31.2
Refinancing	470	52.4	36,312	49.8
Home Improvement	121	13.5	5,072	7.0
Multi-Family Housing	11	1.2	2,653	3.6
Total HMDA LAR Loans	827	92.2	66,801	91.6
Total Business Loans	70	7.8	6,106	8.4
TOTAL LOANS REVIEWED	897	100.0	72,907	100.0

¹ Percent of total loans reviewed.

Based on the bank's asset size, product offerings, and financial condition, it has the ability to meet the credit needs of its AA. The bank's performance under the CRA was last evaluated by the Federal Reserve Bank of Kansas City on November 29, 2010, at which time it also received a satisfactory rating.

OVERVIEW OF THE BANK'S ASSESSMENT AREAS

The Oklahoma City (OKC) Metropolitan Statistical Area (MSA) AA is located in the southern portion of the OKC MSA and includes all tracts in Cleveland, McClain, Oklahoma, and Garvin Counties. Garvin County is a nonmetropolitan county, but is contiguous and demographically similar to McClain County, where the bank is headquartered. The second AA, the Nonmetropolitan Northwest Oklahoma (Rural NW OK) AA, is located in a rural area approximately 125 miles northwest of Oklahoma City and consists of all 8 tracts in Dewey and Woodward Counties.

Under the CRA, a financial institution's performance is evaluated within the context of its delineated AAs. Each AA is assigned separate ratings, and an overall rating is assigned for the bank. This CRA review covered two AAs, including the OKC MSA AA and the Rural NW OK AA. The bank's performance in its OKC MSA AA market received significantly more weight in the overall rating because the majority of its banking activity occurred in this market. The OKC MSA AA contained 74.7 percent of bank deposits, 78 percent of its branches, and 71.9 percent of the loans originated inside the AAs. Furthermore, there are no LMI tracts within the Rural NW OK AA, which limits the ability to fully evaluate the bank's geographic lending distribution in that area. Accordingly, the OKC MSA AA received a full-scope review and the Rural NW OK AA was reviewed using the limited-scope procedures. Detailed discussions of relevant demographic information are provided in the analyses of each AA that follow in this report.

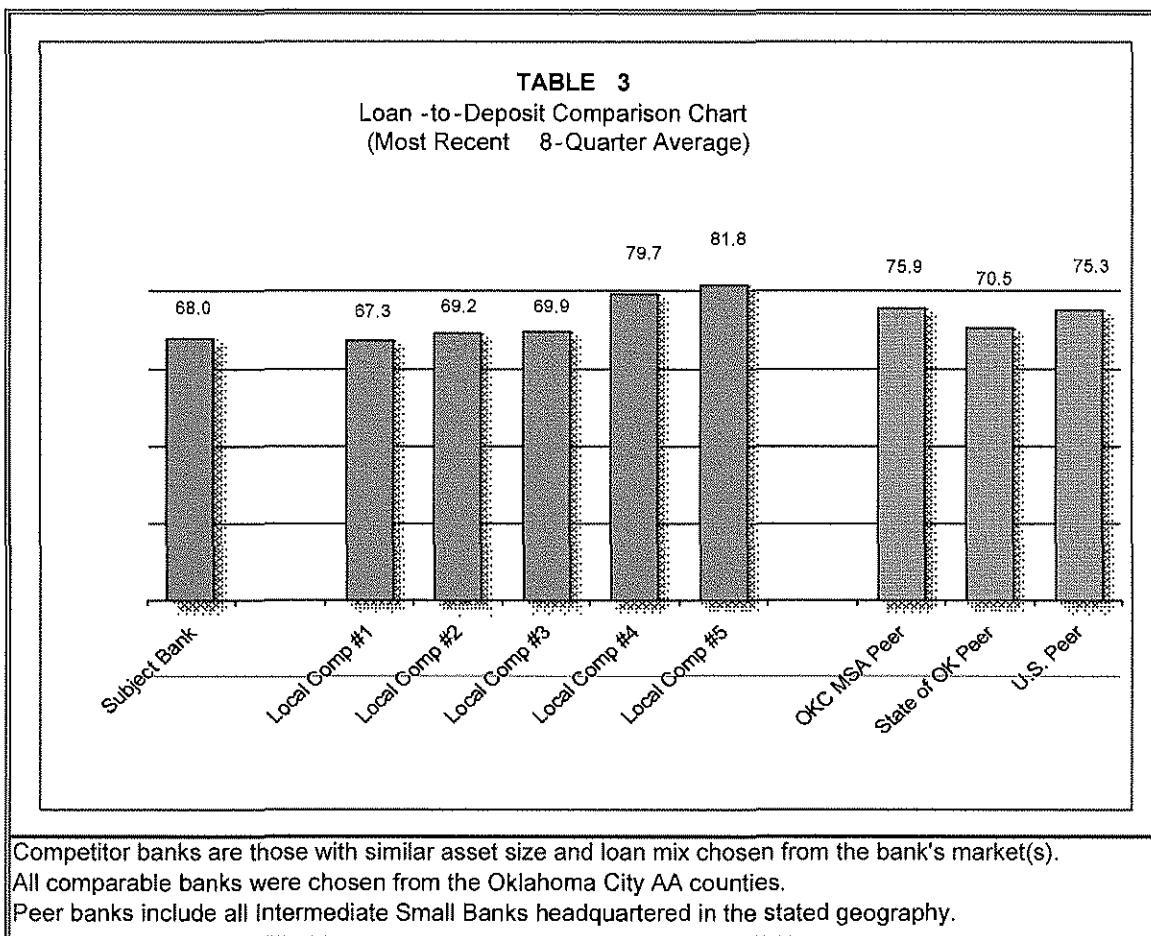
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The bank's overall rating was based on its performance in each individual AA. The bank's record in the OKC MSA AA received a full-scope review and had a predominant influence on the overall rating because this AA was the bank's primary market during the evaluation period. This performance evaluation first discusses the bank's overall performance followed by a detailed discussion of the OKC MSA AA and a limited discussion of the Rural NW OK AA.

LENDING TEST

The bank's CRA lending performance was considered reasonable based on its NLTD ratio, the concentration of lending within the AAs, and the borrower and geographic distribution analyses.

Net Loan-to-Deposit Ratio: As illustrated in Table 3, the bank's average NLTD ratio over the eight quarters since the prior CRA review was reasonable, comparing favorably to local similarly situated competitors and peer group averages.



Assessment Area Concentration:

The bank's record of originating loans within its AA is considered excellent, as a substantial majority of the bank's lending (86.8 percent), occurred within its AAs. The bank originated 87.1 percent of its HMDA-reported loans and 84.3 percent of its commercial loans inside its AA, as depicted in Table 4. The remaining conclusions regarding the Lending Test are based solely on the loans originated inside the bank's two AAs.

TABLE 4 LENDING INSIDE AND OUTSIDE THE BANK'S AAs								
Bank Loans	Inside				Outside			
	#	\$(000)	#%	\$%	#	\$(000)	#%	\$%
Home Purchase	184	19,148	81.8	84.1	41	3,616	18.2	15.9
Refinancings	417	31,711	88.7	87.3	53	4,601	11.3	12.7
Home Improvement	109	4,775	90.1	94.1	12	297	9.9	5.9
Multifamily	10	2,613	90.9	98.5	1	40	9.1	1.5
Total HMDA-Related	720	58,247	87.1	87.2	107	8,554	12.9	12.8
Small Business	59	5,218	84.3	85.5	11	888	15.7	14.5
Total Loans	779	63,465	86.8	87.0	118	9,442	13.2	13.0

Geographic and Borrower Distribution:

The overall geographic and borrower distribution of HMDA-related loans and business loans reflected reasonable penetration throughout the bank's AAs. For the geographic distribution test, the bank's distribution of HMDA and business loans within LMI census tracts was considered reasonable in both of the bank's AAs. For the borrower distribution test, the distribution of HMDA lending to LMI borrowers was reasonable in both AAs. The distribution of business loans to businesses of different revenue sizes, specifically businesses with gross annual revenues less than \$1 million, was excellent in the Rural NW OK AA, but somewhat lower in the OKC MSA AA, with both lagging behind demographic figures. A more detailed analysis of the geographic distribution and borrower income distribution may be found in the full-scope review of the OKC MSA AA that follows.

COMMUNITY DEVELOPMENT TEST

The bank's community development performance demonstrated adequate responsiveness to community development needs throughout its AAs. The bank had an adequate level of community development loans, investment, donations, and services over the review period.

Qualified community development lending included four loans to organizations providing affordable housing or transitional housing services, three loans for revitalization and stabilization of a distressed and underserved area, and one loan to a community service organization. The total dollar amount of community development loans was reasonable.

The bank's qualified investments were primarily school bond purchases in which the majority of students were on the free or reduced lunch program. One investment was a hospital bond in a community contiguous to the bank's rural AA. It was noted that the hospital provided services to numerous individuals in Dewey County, which is one of the two counties that comprise the bank's Rural NW OK AA. The bank's qualified donations were primarily to organizations providing community services targeted to LMI residents, such as religious charities and transitional housing organizations.

Examples of service activities provided by bank staff included providing financial expertise through the board of directors or Audit Committee participation. Bank staff provided service activities to several individual organizations during the review period totaling 25 instances, primarily to organizations offering community services targeted to LMI individuals or families.

The bank's retail services provide some accessibility to LMI areas within the AAs. Only one of the bank's branches is located in a moderate-income tract in the OKC MSA AA; however, there were no branches in low-income tracts. The bank's branch locations are most prevalent in middle-income tracts. No branches were opened or closed since the prior review.

Table 5 displays the bank's community development lending, investment, donation, and service activity by category.

TABLE 5 COMMUNITY DEVELOPMENT ACTIVITIES OVERALL AAs									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services #
			Investments		Donations		Total Investments		
	#	\$(000)	#	\$(000)	#	\$(000)	#	\$(000)	
Affordable Housing	0	0	0	0	0	0	0	0	0
Community Services	0	0	0	0	49	28	49	28	25
Economic Development	5	115	0	0	0	0	0	0	0
Revitalization and Stabilization	3	505	12	4,777	0	0	12	4,777	0
Totals	8	620	12	4,777	49	28	61	4,805	25

RESPONSE TO CRA-RELATED COMPLAINTS

The bank has not received any complaints related to its CRA performance.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

An evaluation of the bank's fair lending activities was conducted during the examination to determine compliance with the substantive provisions of antidiscrimination laws and regulations, including the Equal Credit Opportunity Act and the Fair Housing Act. No signs of discrimination were identified. The bank was not found to have engaged in any other illegal credit practices inconsistent with helping to meet community credit needs.

**OKLAHOMA CITY METROPOLITAN STATISTICAL AREA
(FULL-SCOPE REVIEW)**

OKC MSA AA'S CRA RATING: *This AA is rated: Satisfactory*
The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE OKC MSA AA

The bank operates seven of its nine branches in the OKC MSA AA. This AA also has the highest concentration of the bank's loans and deposits. Based on the bank's internal lending data as of December 31, 2012, 83.5 percent of its total loans by dollar volume were originated in this AA. The June 30, 2012 FDIC Market Share Report indicated that 78.2 percent of total bank deposits were in the OKC MSA AA. The bank's operations, products, and services are similar to those described in the overall institution section.

As of June 30, 2012, the bank's deposit market share in the four-county AA equaled 1.0 percent, which ranked 18th of 65 federally insured financial institutions in the OKC MSA AA. For context, market share rankings for the top four banks in the AA ranged between 15.8 percent and 7.3 percent.

Because this AA represents the bank's most significant lending and deposit volumes, it was subject to a full-scope review and received the heaviest weighting in the bank's overall CRA rating.

DESCRIPTION OF THE OKC MSA AA

This AA is located in central Oklahoma and consists of the southern portions of the OKC MSA. The AA includes all tracts in Cleveland, Garvin, McClain, and Oklahoma counties including 22 low-, 89 moderate-, 106 middle-, 71 upper-, and 5 unknown-income tracts, according to 2000 Census data.

Economic Conditions. The OKC MSA's unemployment rate remains well below both state and national figures, and close to pre-recession levels. (Source: FDIC Regional Economics/RECON) The MSA's largest employers include Tinker Air Force Base (21,109), University of Oklahoma (11,650), Federal Aviation Administration Mike Monroney Aeronautical Center (7,000), INTEGRIS Baptist Medical Center (6,025 – down from 9,200 in 2009), University of Oklahoma Health Sciences Center (4,200), Chesapeake Energy Corporation (4,000), OGE Energy Corporation (3,450), Mercy Health Center (3,450), and AT&T (3,000). (Source: FDIC RECON/Moody'sEconomy.com – Greater Oklahoma City Chamber of Commerce, 2011; Military Installations Guide, 2011)

As of July 2012, the MSA had seen improvements in both labor and housing markets. Firms in energy and mining-related enterprises continued to add jobs which helped the MSA unemployment rate remain lower than the state and national levels. The cost of living ranks in the bottom one-third of all MSAs, and the MSA had very affordable housing. Prior to the economic crisis, Oklahoma City did not see the huge run-up in housing prices that much of the remainder of the country experienced. Therefore, there had not been a surge in non-traditional mortgages and aggressive mortgage lending practices. However, Oklahoma City did experience a downturn in housing starts during the recession. The low unemployment rate, business expansion, and relocation to the area have created a recent demand for housing. (Source: FDIC RECON/ Moody'sEconomy.com, April 2008, March 2010, July 2012)

Population Trends and Characteristics. The population of the OKC MSA AA increased nearly 12.2 percent as of the 2010 Census to 1,036,470. The largest increases in the AA were seen in McClain County (24.4 percent increase) and in Cleveland County (23.0 percent increase), where the bank's headquarters and five branches are located. Of the AA counties, Garvin County, located just south of the MSA, contained only 27,576 residents as of 2010, equaling less than 3 percent of the total AA population. Additionally, Garvin County population growth from 2000 to 2010 was minimal, at 1.4 percent. This was well below the state increase of 8.7 percent.

Since the AA includes a substantial majority of the entire MSA's population, the AA age and family demographics generally mirror total MSA figures. Compared to the entire state of Oklahoma, the AA has slightly fewer households that are families and elderly.

The area's population living in institutionalized/group quarters was somewhat lower than the overall statewide figure. The highest concentration was in college dormitories, slightly exceeding the total statewide figure, while nursing homes and correctional facilities were slightly below the state figures. These population demographics are not likely to have a significant impact on lending patterns in the area.

Table 6 shows AA income, housing, and demographic data.

**TABLE 6
OKC MSA AA DEMOGRAPHICS**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	22	7.5	7,196	3.0	2,672	37.1	49,102	20.3
Moderate-income	89	30.4	62,893	26.0	11,952	19.0	43,475	18.0
Middle-income	106	36.2	94,490	39.1	7,937	8.4	51,536	21.3
Upper-income	71	24.2	77,197	31.9	2,494	3.2	97,663	40.4
Unknown-income	5	1.7	0	0.0	0	0.0	0	0.0
Total AA	293	100.0	241,776	100.0	25,055	10.4	241,776	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low-income	15,298	4,672	2.0	30.5	7,966	52.1	2,660	17.4
Moderate-income	119,266	50,929	22.1	42.7	53,972	45.3	14,365	12.0
Middle-income	157,026	93,593	40.6	59.6	50,056	3.9	13,377	8.5
Upper-income	111,904	81,421	35.3	72.8	24,437	21.8	6,046	5.4
Unknown-income	200	0	0.0	0.0	170	85.0	30	15.0
Total AA	403,694	230,615	100.0	57.1	136,601	33.8	36,478	9.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
	#	%	#	%	#	%	#	%
Low-income	2,450	3.9	1,976	3.5	354	8.9	120	5.1
Moderate-income	13,331	21.2	11,682	20.7	1,081	27.1	568	24.3
Middle-income	23,172	36.9	20,918	37.0	1,368	34.3	886	37.8
Upper-income	22,585	35.9	20,895	37.0	976	24.5	714	30.5
Unknown-income	1,318	2.1	1,054	1.8	210	5.2	54	2.3
Total AA	62,856	100.0	56,525	100.0	3,989	100.0	2,342	100.0
Percentage of Total Businesses:				89.9		6.3		3.8

Income Characteristics. In 2010, the AA's median family income (MFI) equaled \$57,434, a 29.0 percent increase from the 2000 figure of \$44,538. The AA MFI was slightly lower than the total OKC MSA figure of \$58,775. As of 2009, the U.S. Department of Housing and Urban Development estimated MFI for the entire MSA increased to \$59,400. For the AA, the breakdown of low-, moderate-, middle-, and upper-income families mirrored the MSA and statewide totals.

Cleveland County, where four bank facilities are located, is the most affluent of the four AA counties, with only 16.1 percent of area families in the low-income category, and 46.1 percent categorized as upper-income. The predominance of the bank's locations in this county could somewhat skew the bank's lending towards upper-income borrowers.

Housing Characteristics:

Of the three MSA AA counties, housing stock in McClain and Oklahoma Counties were at opposite ends of the MSA averages. McClain County, which includes Purcell, is on the outskirts of the MSA and is more rural than other MSA counties. This county had an owner-occupancy rate of 71.1 percent, compared to the overall AA rate of 59.0 percent. Oklahoma County had an owner-occupancy rate of only 54.2 percent. McClain County also had the highest concentration of single-family units and very low levels of rental units, 2-4 family units, and five-plus family units. McClain County also had 17.8 percent of its units in mobile homes, while the AA average was only 4.4 percent. Cleveland County had the youngest median housing age and the least number of units built before 1950. Oklahoma County numbers reflected older housing stock, which may indicate a need for more home improvement loans in that county. Garvin County, the rural county located south of McClain County, had the highest level of single-family units (82.9 percent) but a fairly low level of owner occupied units (59.1 percent) due to a high vacancy rate of 21.3 percent, compared to the total AA figure of 11.9 percent.

The MSA affordability rate¹ equaled 38.6 percent in 2010, a 19.4 percent decrease since 2000. The AA rate equaled 37.6 percent, with the three MSA counties ranging between 36.5 percent and 45.4 percent, and Garvin County at 50.8 percent.

Census Tract Income Levels/Characteristics:

Economic characteristics in several LMI tracts may challenge financial institutions seeking to lend there. Family poverty rates as of the 2010 Census data were much higher in the LMI tracts, equaling 35.1 percent and 18.5 percent, respectively, compared to 9.3 percent and 3.2 percent for the middle- and upper-income tracts. The 2010 unemployment rate in the low-income tracts equaled 12.0 percent, two times the area-wide figure of 5.9 percent. Therefore, lending in the LMI tracts may be relatively more difficult than in the middle- and upper-income tracts. Absent special credit programs, income considerations may prohibit many residents from affording substantial credit amounts typically needed for residential mortgage loans.

Housing characteristics in the LMI tracts were unique in some respects. The LMI tracts have lower concentrations of owner-occupied housing units, and high concentrations of rental and multifamily housing units. In 2010, 47.1 percent of low- and 44.5 percent of moderate-income tract housing units were rental units. In middle- and upper-income tracts, these figures equaled 27.4 percent and 20.7 percent, respectively. Housing stock was also older in the LMI tracts (53 years and 45 years, respectively, compared to 36 years in middle-income tracts and 23 years in upper-income tracts). This may indicate a greater need for home improvement loans in the LMI tracts.

¹ The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Distribution by Income Level of Geographies:

This performance test evaluates the bank's distribution of lending within its AA by income level of census tract. A pattern of reasonable lending is partially determined by comparing the percentage of loans to the percentages of small businesses and owner-occupied housing units within each tract category, with emphasis generally placed on lending in LMI tracts. Overall, the bank's distribution of loans reflected a reasonable dispersion throughout the AA's LMI tracts.

HMDA Loans

The bank's geographic distribution of 2011 and 2012 HMDA reported loans was considered reasonable. As Table 7 indicates, 0.8 percent of the bank's 2011 HMDA loans were originated in low-income tracts and 17.0 percent were in moderate-income tracts. This distribution was slightly below the percentage of owner-occupied housing units in LMI tracts, at 2.0 percent and 22.1 percent, respectively. Comparisons were also made to aggregate HMDA lending data, which was collected from all eligible HMDA reporters and queried to match a bank's delineated AA. The bank exceeded the LMI tract performance of the HMDA aggregate lenders in the AA at 0.6 percent and 11.2 percent, respectively.

Home Purchase Loans:

Overall, the bank's distribution of home purchase loans in the OKC MSA AA is considered reasonable. As shown in Table 7, the bank did not originate any purchase loans in the area's low-income tracts. The loan distribution by aggregate lenders was also low, at 0.6 percent. Table 7 also indicates that only 2.0 percent of the AA's owner-occupied homes are located in the AA's low-income tracts. However, bank lending for home purchase loans in moderate-income tracts was more favorable, at 13.8 percent, compared to the aggregate of 11.8 percent but still below the demographic of AA owner-occupied homes located in moderate-income tracts, at 22.1 percent.

Refinance Loans:

The geographic distribution of refinance loans originated by the bank was strong, outperforming all of the other loan types. Table 7 indicates the bank originated 1.8 percent and 18.3 percent of its refinance loans in LMI tracts, respectively. The bank's penetration of refinance loans in low-income tracts more than tripled the performance of aggregate lenders (0.4 percent). In addition, performance in moderate-income tracts was nearly double the level reported by aggregate lenders (9.4 percent). Although bank performance lagged the demographic figures, the aggregate data is considered a better measure of comparison because it captures the lending levels of all HMDA reporters, and consequently true loan demand, within a designated area.

Home Improvement Loans:

The bank's level of home improvement lending within LMI tracts was adequate. As noted in Table 7, the bank did not originate any home improvement loans in the area's low-income tracts, although 2.0 percent of the AA owner-occupied housing units were located in low-income tracts and aggregate lenders originated 1.9 percent of their loans in those areas. Performance in moderate-income tracts was more favorable, however. The bank made 17.6 percent of its home improvement loans in moderate-income tracts, compared to the aggregate figure of 19.3 percent and the demographic of 22.1 percent. While not strong, this performance is considered reasonable.

Multifamily Loans:

The bank originated one multifamily loan in a moderate-income tract during 2011. Based on the low volume of multifamily lending in the OKC MSA AA, this performance is considered reasonable.

2012 HMDA Lending

The bank's 2012 HMDA lending is not displayed in this evaluation as the results were similar to 2011. In addition, aggregate data for 2012 was not available at the time of this evaluation, making an in-depth analysis difficult to conduct. Similar to 2011 performance, the bank exhibited strong performance for refinance loans, especially in low-income tracts. Furthermore, the bank did not originate any home purchase or improvement loans in the AA's low-income tracts; however, the percentage of owner-occupied units in low-income tracts was relatively small. Overall, bank performance was considered reasonable for HMDA data reported in 2012.

**TABLE 7
DISTRIBUTION OF 2011 HMDA LOANS BY INCOME LEVEL OF GEOGRAPHY
OKLAHOMA CITY MSA AA**

Census Tract Income Level	Bank Loans				Aggregate HMDA Data ¹		% of Owner Occupied Units ²
	#	\$(000)	#%	\$%	#%	\$%	
Total Home Mortgage Loans							
Low	2	58	0.8	0.3	0.6	0.5	2.0
Moderate	41	1982	17.0	10.6	11.2	6.3	22.1
Middle	142	11073	58.9	59.1	35.6	28.5	40.6
Upper	56	5618	23.2	30.0	52.5	64.8	35.3
Home Purchase Loans							
Low	0	0	0.0	0.0	0.6	0.6	2.0
Moderate	9	844	13.8	11.6	11.8	7.0	22.1
Middle	38	4,118	58.7	56.7	37.2	30.4	40.6
Upper	18	2,302	27.7	31.7	50.4	62.1	35.3
Home Refinance Loans							
Low	2	58	1.4	0.6	0.4	0.3	2.0
Moderate	26	978	18.3	9.3	9.4	5.4	22.1
Middle	82	6,240	57.7	59.3	33.5	26.6	40.6
Upper	30	3,240	22.5	30.8	56.8	67.7	35.3
Home Improvement Loans							
Low	0	0	0.0	0.0	1.9	3.2	2.0
Moderate	6	160	17.6	16.8	19.3	11.4	22.1
Middle	22	715	64.7	75.2	40.1	31.1	40.6
Upper	6	76	17.6	8.0	38.6	54.3	35.3
Multifamily Loans							% of Multi- Family Units²
Low	0	0	0.0	0.0	10.5	1.7	4.7
Moderate	1	127	100.0	100.0	33.7	30.9	37.3
Middle	0	0	0.0	0.0	39.5	34.5	35.0
Upper	0	0	0.0	0.0	12.8	26.9	22.6
Unknown ³	0	0	0.0	0.0	0.0	0.0	0.3

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
² The percentage of owner-occupied housing and multi-family units by tract are based on 2000 Census data.
³ Does not include tracts where the income level is unknown, which is 3.5 percent by number and 6.1 percent by dollar volume for aggregate lenders. Only includes tract locations not known.
(NOTE: Percentages shown may vary by .01 percent due to automated rounding differences.)

Small Business Loans

The 2011 geographic distribution for business loans is considered adequate, although lending in low-income tracts is below area demographics and performance by aggregate lenders. As shown in Table 8, the bank did not make any business loans in the low-income tracts, while aggregate lenders made 4.5 percent of their loans in these areas and 3.9 percent of AA businesses are located there. One of the bank's seven branches in this AA is located in a moderate-income tract, but there were no branches in the low-income tracts. Other area financial institutions have offices that are more conveniently located to serve these low-income tracts.

Bank lending in the AA's moderate-income tracts was strong, at 27.5 percent, compared to the aggregate figure of 18.4 percent and the demographic percentage of businesses located in moderate-income tracts at 21.2 percent. Based on the combined performance, the bank's lending to businesses located in LMI tracts is considered reasonable.

**TABLE 8
DISTRIBUTION OF 2011 SMALL BUSINESS LOANS
BY INCOME LEVEL OF GEOGRAPHY OKC MSA AA**

Census Tract Income Level	Small Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
Low	0	0	0.0	0.0	4.5	7.5	3.9
Moderate	11	399	27.5	9.5	18.4	21.6	21.2
Middle	23	2,834	57.5	67.5	32.6	29.9	36.9
Upper	6	964	15.0	23.0	39.1	35.6	35.9
Unknown ⁴	0	0	0.0	0.0	3.0	0.7	2.1

¹ CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.

² Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.

³ The percentage of businesses and farms in the AA is based on 2011 D&B data.

⁴ Does not include tracts where the income level is unknown, which is 2.4 percent by number and 4.6 percent by dollar for aggregate lenders. Only includes tract locations not reported.

(NOTE: Percentages shown may vary by .01 percent due to automated rounding differences.)

Distribution by Borrower Income and Revenue Size of the Businesses and Farms:

This performance criterion reviews the bank's level of lending to small businesses with gross annual revenues of \$1 million or less and the lending distribution to borrowers of different income levels, with an emphasis on lending to LMI families. The bank's performance is compared to the AA's income and revenue demographic data, as well as HMDA and CRA aggregate lending data.

HMDA Loans

The bank's overall lending by income level of borrower was reasonable for loans reported on its 2011 and 2012 HMDA LARs. As noted in Table 9, 15.3 percent and 16.1 percent of the OKC MSA AA population were classified as low- and moderate-income families, respectively. Bank lending to low-income borrowers was 10.0 percent, compared to the aggregate lending figure of 7.4 percent. Bank lending to moderate-income borrowers nearly mirrored the aggregate lending data at 17.0 percent and 16.9 percent, respectively. The bank's level of lending exceeded the aggregate lending distribution to both low- and moderate-income families. The levels of lending were considered reasonable, as noted above.

Home Purchase Loans:

Lending for home purchase loans by the bank was adequate. As illustrated in Table 9, the bank made 7.7 percent its 2011 home purchase loans to low-income borrowers, compared to the aggregate of 9.4 percent and the demographic of 15.3 percent. While bank performance was

below both the aggregate and demographic figures, the demand for home purchase loans by low-income borrowers is often diminished by income constraints and the lack of sufficient funds for a down payment. In addition, the bank's performance was lower, but similar to the performance of aggregate lenders in the AA, which is considered the better of the two comparative measures. Lending performance to moderate-income borrowers was 18.5 percent, compared to the aggregate figure of 20.5 percent and the demographic of 16.1 percent. While bank lending levels slightly lagged the aggregate data, the lending level for home purchase loans was still considered reasonable.

Refinance Loans:

Bank performance for refinance loans in the OKC MSA AA was good. The bank made 8.5 percent of its loans to low-income borrowers, compared to 5.0 percent by aggregate lenders and the demographic of 15.3 percent. Lending to moderate-income borrowers by the bank (12.7 percent) was identical to the aggregate figure but somewhat below the demographic (16.1 percent). As previously noted, aggregate data is a better measure for comparison, as it factors the level of lending by all HMDA reporters and the actual loan demand within the designated borrower income levels.

Home Improvement Loans:

The bank's level of home improvement lending to LMI borrowers in the AA was excellent, as reflected in Table 9. The bank's distribution of home improvement loans to low-income borrowers was 20.6 percent, compared to the aggregate lending figure of 10.3 percent and the demographic figure of 15.3 percent. Similarly, the bank's percentage of home improvement loans to moderate-income borrowers was 32.4 percent, which was significantly higher than the aggregate figure of 21.1 percent. Although demand for home improvement loans is generally higher for LMI borrowers, the bank's performance in this area is particularly noteworthy.

**TABLE 9
DISTRIBUTION OF 2011 HMDA LOANS BY BORROWER INCOME LEVELS
OKC MSA AA**

Borrower Income Level	Bank Loans			Aggregate HMDA Data ¹		% of Families ²
	#	\$(000)	#%	#%	\$%	
Total Home Mortgage Loans³						
Low	24	903	10.0	4.8	7.4	15.3
Moderate	41	2,458	17.0	13.1	16.9	16.1
Middle	42	2,705	17.4	14.4	19.7	24.4
Upper	86	8,748	35.7	46.7	40.3	44.3
Unknown	48	3,917	19.9	20.9	15.6	0.0
Home Purchase Loans						
Low	5	361	7.7	5.0	9.4	15.3
Moderate	12	1,399	18.5	19.3	20.5	16.1
Middle	10	1,207	15.4	16.6	20.6	24.4
Upper	27	3,351	41.5	46.1	35.5	44.3
Unknown	11	946	16.9	13.0	13.9	0.0
Refinanced Loans						
Low	12	512	8.5	4.9	5.0	15.3
Moderate	18	797	12.7	7.6	12.7	16.1
Middle	25	1,412	17.6	13.4	17.9	24.4
Upper	51	4,829	35.9	45.9	45.5	44.3
Unknown	36	2,966	25.4	28.2	18.9	0.0
Home Improvement Loans						
Low	7	30	20.6	3.2	10.3	15.3
Moderate	11	262	32.4	27.5	21.1	16.1
Middle	7	86	20.6	9.0	25.6	24.4
Upper	8	568	23.5	59.7	37.4	44.3
Unknown	1	5	2.9	0.6	5.5	0.0

¹ Aggregate loan data reflects all loan originations in the bank's AA reported by all HMDA filers.
² The percentage of families and households are based on 2000 Census data.
³ Multifamily Loans are not considered in the Borrower Analysis.
(NOTE: Percentages shown may vary by .01 percent due to rounding differences.)

Small Business Loans

The distribution of loans to small businesses based on revenue size is good. As depicted in Table 10, 57.5 percent of the bank's commercial loans were made to small businesses. This performance was significantly lower than the percentage of small businesses in the AA (89.9 percent), but greatly exceeded the distribution reported by the area's aggregate lenders at 40.3 percent. Of the bank's loans originated to small businesses, 82.6 percent were also in amounts of \$100,000 or less, which are amounts generally needed by smaller business entities.

**TABLE 10
DISTRIBUTION OF 2011 SMALL BUSINESS LOANS BY REVENUE SIZE
OKC MSA AA**

Business Revenue By Size	Small Business Loans ¹				Aggregate CRA Data ²		% of Businesses ³
	#	\$(000)	#%	\$%	#%	\$%	
\$1MM or less	23	954	57.5	22.7	40.3	41.6	89.9
Over \$1MM	13	1,760	32.5	41.9	Not Reported		6.3
Not Known	4	1,483	10.0	35.3	Not Reported		3.7

¹ CRA defines small businesses loans as loans in the amount of \$1 million or less and small farm loans in the amount of \$500 thousand or less.

² Aggregate loan data reflects all loan originations in the bank's AA reported by all CRA filers.

³ The percentage of businesses and farms in the AA is based on 2011 D&B data.

(NOTE: Percentages shown may vary by .01 percent due to automated rounding differences.)

COMMUNITY DEVELOPMENT TEST

The Community Development Test analysis focused on the bank's qualified lending, investments and donations, service activities, and responsiveness to credit and community development needs. To qualify for CRA credit, the activity must relate to affordable housing assistance for LMI individuals; community development services targeted to LMI individuals; enhance economic development of LMI geographies by financing small businesses; or revitalize or stabilize LMI and underserved nonmetropolitan middle-income tracts. The bank's community development performance demonstrated good responsiveness to community development needs throughout this AA. The bank's level of community development activity was compared to the availability of such opportunities, as well as the competition for those activities by other local financial institutions.

As shown in Table 11, the bank made 5 community development loans, 4 community development investments, and 31 qualified donations, together totaling approximately \$3.0 million. The bank's staff also provided 16 qualified community development services to 12 different organizations. Based on discussions with community members, the local financial institutions' community development activities were responsive to the needs of the AA.

The bank's investments in the OKC MSA AA were primarily focused on school bond purchases in qualifying districts. The majority of the donations were made to organizations that sponsor community services targeted to LMI individuals. Some of the more notable donations included \$2,000 to a national organization that targeted the bank's donations to LMI family services and \$2,000 to a local organization that provides needed home repairs to low-income, elderly homeowners.

The bank's community development services performance was good. Consideration was given to various qualified services performed by bank employees in area community organizations, as well as numerous seminars that teach school-aged children the advantages of saving money.

TABLE 11 COMMUNITY DEVELOPMENT ACTIVITIES OKC MSA AA									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services #
	#	\$(000)	Investments		Donations¹		Total Investments		
			#	\$(000)	#	\$(000)	#	\$(000)	
Affordable Housing	4	65	0	0	0	0	0	0	0
Community Services	1	50	0	0	31	14	32	64	15
Economic Development	0	0	0	0	0	0	0	0	1
Revitalization and Stabilization	0	0	4	2,945	0	0	4	2,945	0
Totals	5	115	4	2,945	31	14	36	3,009	16

¹The bank made 15 donations for \$13,575 that applied to both of its AAs.

RURAL NORTHWESTERN OKLAHOMA ASSESSMENT AREA (LIMITED-SCOPE REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE RURAL NW OK AA

The Rural NW OK AA includes all of Dewey and Woodward counties. The bank's presence in the area consists of the one branch in each respective county. As of June 30, 2012, the AA had 21.7 percent of total bank deposits and a market share of 7.2 percent, which ranked 7th of 10 financial institutions in the two counties. Furthermore, only 28.1 percent of the lending inside the bank's two assessment areas occurred in the Rural NW OK AA. This AA was subject to a limited-scope review due to its lower level of lending and deposit share.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE RURAL NW OK AA

The overall conclusions for the Rural NW OK AA were consistent with performance in the OKC MSA AA as determined by the full-scope review. Under the Lending Test, the bank's performance in the AA regarding the borrower distribution exceeded the full-scope AA for both HMDA and business loans. There were no LMI tracts within the two rural AA counties; accordingly, it was not possible to make a meaningful comparison of the geographic distribution performance between the rural and MSA AAs. Community development activities were also consistent with the OKC MSA AA performance.