



PUBLIC DISCLOSURE

January 24, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Security Bank
RSSD# 516855

10727 East 51st Street
Tulsa, Oklahoma 74146

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

This institution is rated: **Satisfactory**
The Lending Test is rated: **Satisfactory**
The Community Development Test is rated: **Outstanding**

Security Bank (the bank) is rated **Satisfactory**. This rating is based on the following conclusions with respect to the performance criteria under the Lending and Community Development Tests:

- The bank's net loan-to-deposit ratio (NLTD) is reasonable given the bank's size, financial condition, and assessment area (AA) credit needs.
- A majority of the bank's loans are originated inside the AA.
- An excellent distribution of loans occurs throughout the bank's AA.
- Lending reflects a poor distribution among individuals of different income levels, including low- and moderate-income (LMI), and businesses 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.
- Community development (CD) activity reflects excellent responsiveness to CD needs of the bank's AA.

SCOPE OF EXAMINATION

Examiners utilized the Federal Financial Institutions Examination Council's (FFIEC's) *Interagency Examination Procedures for Intermediate 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. Performance was assessed within the bank's only AA. Examiners reviewed the following data:

- The bank's 13-quarter average NLTD ratio.
- A statistical sample of 152 small business loans from a universe of 611 loans originated from January 1, 2020 through December 31, 2020.
- The universe of 211 home mortgage loans reported on the bank's 2019 and 2020 Home Mortgage Disclosure Act (HMDA) Loan/Application Registers.
- CD loans, qualified investments, and CD services from August 7, 2018 through June 30, 2021.

More weight was placed on the bank's small business lending performance based on the bank's strategic focus and the composition of the loan portfolio.

DESCRIPTION OF INSTITUTION

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

- The bank is a wholly owned subsidiary of Pawnee Holding Company, Incorporated.
- The bank has total assets of \$782.8 million (MM) as of June 30, 2021.
- The bank operates one office location in Tulsa, Oklahoma, with one on-site, full-service, automated teller machine.
- As shown in the table below, the bank’s primary business focus is commercial lending.

Table 1

Composition of Loan Portfolio as of June 30, 2021		
Loan Type	\$(000)	%
Construction and Land Development	43,750	7.9
Farmland	6,285	1.1
1- to 4-Family Residential Real Estate	52,339	9.5
Multifamily Residential Real Estate	1,912	0.3
Non-Farm Non-Residential Real Estate	246,812	44.7
Agricultural	2,089	0.4
Commercial and Industrial	192,949	34.9
Consumer	4,966	0.9
Other	1,296	0.2
Gross Loans	552,398	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 August 6, 2018 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.

DESCRIPTION OF ASSESSMENT AREA

The bank’s Tulsa Metropolitan AA consists of Tulsa, Rogers, and Wagoner Counties in their entirety, which are three of the seven counties that comprise the Tulsa-Broken Arrow-Owasso, Oklahoma Metropolitan Statistical Area (Tulsa MSA). (See Appendix A for an AA map and Appendix B for additional demographic data.)

- The AA is comprised of 17 low-, 61 moderate-, 80 middle-, and 67 upper-income census tracts.

- According to the June 30, 2021 Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, the bank ranks 11th of 51 FDIC-insured institutions in the AA, with a deposit market share of 2.0 percent.
- Two previous interviews conducted with community members in conjunction with the CRA evaluations of other area institutions were referenced and utilized to ascertain the credit needs of the communities, the responsiveness of area banks in meeting those credit needs, and the local economic conditions. One community member represented an organization focused on economic development. The other contact represented an organization focused on affordable housing.

Table 2

Population Change			
Assessment Area: Tulsa Metropolitan			
Area	2010 Population	2015 Population	Percent Change
Tulsa Metropolitan AA	763,393	787,916	3.2
Rogers County, OK	86,905	89,190	2.6
Tulsa County, OK	603,403	623,335	3.3
Wagoner County, OK	73,085	75,391	3.2
Tulsa, OK MSA	937,478	962,676	2.7
Oklahoma	3,751,351	3,849,733	2.6

*Source: 2010 U.S. Census Bureau Decennial Census
2011 - 2015 U.S. Census Bureau American Community Survey*

- According to the 2015 American Community Survey (ACS) data, the AA's 2015 population of 787,916 accounts for 81.8 percent of the Tulsa MSA and 20.5 percent of the statewide population.
- Tulsa County is the most populous county in the AA and accounts for 79.1 percent of the population in the AA.
- According to recent Census information, the AA's 2020 population is 845,500, which reflects an increase of 7.3 percent from 2015 to 2020.
- The AA's main population center in 2020 is the city of Tulsa with approximately 413,066 residents.

Table 3

Median Family Income Change			
Assessment Area: Tulsa Metropolitan			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Tulsa Metropolitan AA	\$65,366	\$62,643	(4.2)
Rogers County, OK	\$71,719	\$67,773	(5.5)
Tulsa County, OK	\$64,052	\$61,809	(3.5)
Wagoner County, OK	\$67,182	\$64,107	(4.6)
Tulsa, OK MSA	\$63,201	\$61,182	(3.2)
Oklahoma	\$58,375	\$58,029	(0.6)

*Source: 2006 - 2010 U.S. Census Bureau American Community Survey
2011 - 2015 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars.*

- According to the 2015 ACS, 37.9 percent of families in the AA are LMI, which is comparable to the statewide and Tulsa MSA figures, which are both at 39.2 percent.
- The percentage of families living below the poverty line in the AA, at 11.2 percent, is also comparable to the Tulsa MSA figure of 11.4 percent but slightly below the statewide figure of 12.4 percent. Tulsa County has the highest percentage of families living below poverty in the AA at 12.3 percent, compared to Rogers County and Wagoner County at 7.0 percent and 8.1 percent, respectively.

Table 4

Housing Cost Burden						
Assessment Area: Tulsa Metropolitan						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Tulsa Metropolitan AA	74.6	37.9	40.0	59.0	34.5	17.5
Rogers County, OK	69.0	36.4	35.5	52.2	35.1	15.8
Tulsa County, OK	75.2	38.6	40.7	61.0	35.3	17.9
Wagoner County, OK	70.2	28.6	34.0	54.0	29.8	16.2
Tulsa, OK MSA	72.3	36.8	39.2	55.5	31.3	17.2
Oklahoma	71.4	33.9	38.3	54.0	27.6	16.7

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2013-2017 Comprehensive Housing Affordability Strategy

- Median gross rent in the AA at \$775 is comparable to the Tulsa MSA figure at \$759 and the statewide figure of \$727.
- The median housing value in the AA at \$139,834 is above the Tulsa MSA figure of \$131,392 and the statewide figure of \$117,900.

- According to an October 26, 2020 Forbes Magazine article, the Tulsa, Oklahoma housing market has experienced a significant increase in home prices over the last two years compared to 100 other metropolitan areas. The article states that the median list price increased by approximately 33.0 percent from September 2018 to September 2020, while the level of housing stock decreased by approximately 57.7 percent during the same time frame.
- The AA has a higher percentage of rental units at 32.8 percent compared to the state and the Tulsa MSA figures of 29.2 percent and 30.7 percent, respectively.
- Within the AA’s LMI census tracts, the majority of housing is comprised of rental units. The AA’s low-income census tracts contain only 29.1 percent of owner-occupied units, and the moderate-income census tracts contain 39.9 percent of these units.
- According to a community member, there is a limited stock of homes in all price ranges in the Tulsa area. Many homes are bought by investors or middle-income individuals with the ability to bid more than LMI borrowers. However, there are development plans underway for the city to build more multi-family homes throughout the broader Tulsa area that are targeted to LMI families and individuals.

Table 5

Unemployment Rates					
Assessment Area: Tulsa Metropolitan					
Area	2016	2017	2018	2019	2020
Tulsa Metropolitan AA	4.5	4.1	3.2	3.0	6.4
Rogers County, OK	4.8	4.2	3.2	2.9	5.8
Tulsa County, OK	4.5	4.0	3.2	3.0	6.6
Wagoner County, OK	4.6	4.1	3.2	2.9	5.8
Tulsa, OK MSA	4.8	4.2	3.3	3.1	6.4
Oklahoma	4.6	4.0	3.3	3.1	6.1

Source: Bureau of Labor Statistics: Local Area Unemployment Statistics

- Several of the AA’s largest employers include AT&T, American Airlines, AAON, QuikTrip, and ONEOK.
- The largest industries in the AA are manufacturing, healthcare, aerospace, professional services, and fulfillment centers.
- One community member stated that economic growth in the area since the start of COVID-19 has been hampered by periodic business shutdowns combined with stimulus payments to individuals, increased unemployment benefits, and lack of childcare options for workers. The contact indicated that the lack of childcare has been a leading deterrent preventing many individuals from returning to the job market.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The bank’s overall performance under the lending test is reasonable. All applicable criteria were equally weighted in this evaluation.

Regarding the geographic and borrower distribution analyses for home mortgage lending, additional emphasis was placed on the bank’s performance in comparison to aggregate lending data, rather than in comparison to relative demographic figures, as aggregate lending data (aggregate lenders) is considered representative of credit demand. In addition, an evaluation of the bank’s individual home refinance, home improvement, and multifamily loans was not conducted due to insufficient volume to conduct a meaningful analysis.

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 AA, and in comparison to similarly situated FDIC-insured institutions. The similarly situated institutions were selected based on asset size, product offerings, market share, and location. As of June 30, 2021, the bank’s 13-quarter NLTD ratio averaged 92.4 percent, which was within the range of the ratios for the four similarly situated banks. The bank’s NLTD ratio is reasonable.

Table 6

Comparative NLTD Ratios – June 30, 2018 – June 30, 2021			
Institution	Location	Asset Size \$(000)	NLTD Ratio (%)
			13-Quarter Average
Security Bank	Tulsa, Oklahoma	782,762	92.4
Similarly Situated Institutions			
Bank7	Oklahoma City, Oklahoma	1,132,070	93.5
First Bank of Owasso	Owasso, Oklahoma	578,474	93.8
Blue Sky Bank	Pawhuska, Oklahoma	466,355	89.7
Spiritbank	Tulsa, Oklahoma	712,571	92.5

Assessment Area Concentration

This performance criterion evaluates the percentage of lending extended inside and outside of the AA. The bank originated a majority of loans, by number and dollar, inside the AA.

Table 7

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	#%	\$(000)	%	#	#%	\$(000)	%
Home Purchase - Conventional	107	84.3	12,703	80.8	20	15.7	3,019	19.2
Home Improvement	19	86.4	1,357	84.7	3	13.6	246	15.3
Multi-Family Housing	24	88.9	27,128	90.1	3	11.1	2,967	9.9
Refinancing	29	82.9	6,965	51.2	6	17.1	6,645	48.8
Total HMDA related	179	84.8	48,153	78.9	32	15.2	12,877	21.1
Small Business	135	88.8	23,210	88.2	17	11.2	3,104	11.8
Total Small Business related	135	88.8	23,210	88.2	17	11.2	3,104	11.8
Total Loans	314	86.5	71,363	81.7	49	13.5	15,981	18.3

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

Geographic Distribution of Loans

This performance criterion evaluates the bank’s distribution of lending within its AA by income level of census tracts, with consideration given to the dispersion of loans throughout the AA. The bank’s geographic distribution of loans reflects excellent distribution among the different census tracts. While some gaps in lending were noted, particularly within several of the AA’s LMI census tracts, dispersion is reasonable given the bank maintains only one branch location in the AA and there is considerable lending competition presented by other area financial institutions.

Home Mortgage Lending

The geographic distribution of home mortgage lending is excellent. In 2020, the bank’s total HMDA lending in low-income census tracts by number volume was above both aggregate lenders and the demographic figure. Lending in moderate-income census tracts by number volume was also above both the aggregate lenders and demographic figure. The bank’s geographic distribution of 2020 HMDA loans was consistent with 2019 performance.

In addition, some gaps in lending were noted; however, dispersion was considered reasonable due to the bank’s limited branching presence and competition in the area.

Home Purchase Lending

The geographic distribution of home purchase lending is excellent. In 2020, the bank’s home purchase lending in low-income census tracts by number volume was above both aggregate lenders and the demographic figure. Lending in moderate-income census tracts by number volume was comparable to both the aggregate lenders and the demographic figure. The bank’s geographic distribution of 2020 HMDA loans was consistent with 2019 performance.

In addition, some gaps in lending were noted; however, dispersion was considered reasonable due to the bank's limited branching presence and competition in the area.

Table 8

Distribution of 2019 and 2020 Home Mortgage Lending By Income Level of Geography													
Assessment Area: Tulsa Metropolitan													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2019						2020						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
Home Purchase Loans													
Low	1	1.6	0.8	86	1.1	0.4	7	15.2	1.0	431	8.6	0.4	3.4
Moderate	12	19.7	13.7	1,279	16.7	8.4	10	21.7	12.3	480	9.5	7.6	18.2
Middle	24	39.3	40.0	2,983	38.9	37.1	12	26.1	38.7	1,174	23.3	34.5	38.7
Upper	24	39.3	45.5	3,316	43.3	54.2	17	37.0	48.0	2,954	58.6	57.5	39.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	61	100.0	100.0	7,664	100.0	100.0	46	100.0	100.0	5,039	100.0	100.0	100.0
Refinance Loans													
Low	0	0.0	0.7	0	0.0	0.3	2	15.4	0.3	243	9.9	0.2	3.4
Moderate	6	37.5	11.1	1,738	38.6	6.2	6	46.2	7.3	1,040	42.2	4.3	18.2
Middle	5	31.3	35.9	1,526	33.9	30.5	3	23.1	34.2	778	31.5	29.4	38.7
Upper	5	31.3	52.3	1,234	27.4	63.1	2	15.4	58.2	406	16.5	66.1	39.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	16	100.0	100.0	4,498	100.0	100.0	13	100.0	100.0	2,467	100.0	100.0	100.0
Home Improvement Loans													
Low	1	10.0	1.7	30	4.8	0.9	3	33.3	1.1	157	21.3	0.6	3.4
Moderate	3	30.0	12.2	214	34.5	9.4	3	33.3	13.3	326	44.3	10.6	18.2
Middle	4	40.0	36.3	274	44.1	31.2	1	11.1	32.5	107	14.5	28.1	38.7
Upper	2	20.0	49.9	103	16.6	58.4	2	22.2	53.0	146	19.8	60.8	39.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	10	100.0	100.0	621	100.0	100.0	9	100.0	100.0	736	100.0	100.0	100.0
Multifamily Loans													
Low	1	7.1	9.9	185	1.0	3.8	3	30.0	13.7	1,916	20.4	4.4	9.9
Moderate	9	64.3	42.0	10,540	59.4	16.6	4	40.0	44.6	5,566	59.4	50.1	36.4
Middle	3	21.4	30.2	6,757	38.1	60.5	2	20.0	32.4	1,211	12.9	37.5	32.1
Upper	1	7.1	17.9	273	1.5	19.1	1	10.0	9.4	680	7.3	8.0	21.6
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	14	100.0	100.0	17,755	100.0	100.0	10	100.0	100.0	9,373	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	3	3.0	0.9	301	1.0	0.7	15	19.2	0.8	2,747	15.6	0.5	3.4
Moderate	30	29.7	13.3	13,771	45.1	8.7	23	29.5	10.5	7,412	42.1	7.6	18.2
Middle	36	35.6	38.7	11,540	37.8	37.7	18	23.1	36.6	3,270	18.6	32.2	38.7
Upper	32	31.7	47.1	4,926	16.1	52.8	22	28.2	52.1	4,186	23.8	59.7	39.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	101	100.0	100.0	30,538	100.0	100.0	78	100.0	100.0	17,615	100.0	100.0	100.0

Source: 2020 FFIEC Census Data

2011-2015 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 excellent. The bank’s lending in low-income census tracts was above the demographic figure. Lending in moderate-income census tracts was also above the demographic figure. In addition, some gaps in lending were noted; however, dispersion was considered reasonable due to the bank’s limited branching presence and competition in the area.

Table 9

Distribution of 2020 Small Business Lending By Income Level of Geography					
Assessment Area: Tulsa Metropolitan					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	%	
Low	6	4.4	2,043	8.8	3.5
Moderate	40	29.6	5,414	23.3	21.4
Middle	46	34.1	8,155	35.1	37.2
Upper	43	31.9	7,598	32.7	37.9
Unknown	0	0.0	0	0.0	0.0
Tract-Unk	0	0.0	0	0.0	
Total	135	100.0	23,210	100.0	100.0

*Source: 2020 FFIEC Census Data
2020 Dun & Bradstreet Data
2011-2015 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 of Different Sizes

This performance criterion evaluates the bank’s lending to borrowers of different income levels and businesses of different revenue sizes. The bank’s lending reflects a poor distribution among individuals of different income levels and businesses of different sizes.

Home Mortgage Lending

The borrower distribution of home mortgage lending is poor. In 2020, the bank’s total home mortgage lending to low-income borrowers was comparable to aggregate lenders but below the demographic figure. Lending to moderate-income borrowers was below both aggregate lenders and the demographic figure. The bank’s borrower distribution of 2020 HMDA loans was consistent with 2019 performance.

This performance is reflective of the bank's strategic focus on commercial real estate lending, where a significant portion of loans are secured by nonowner-occupied properties.

Home Purchase Loans

The borrower distribution of home purchase lending is poor. In 2020, the bank's home purchase lending mirrored the bank's total home mortgage lending, where lending to low-income borrowers was comparable to aggregate lenders but below the demographic figure; and lending to moderate-income borrowers was below both aggregate lenders and the demographic figure. The bank's borrower distribution of 2020 home purchase loans was consistent with 2019 performance.

Table 10

Distribution of 2019 and 2020 Home Mortgage Lending By Borrower Income Level													
Assessment Area: Tulsa Metropolitan													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2019						2020						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	#	\$ (000)	%	\$	#	%	#	\$ (000)	%	\$	
Home Purchase Loans													
Low	1	1.6	6.6	89	1.2	3.7	2	4.3	5.0	38	0.8	2.8	20.7
Moderate	0	0.0	20.1	0	0.0	14.5	1	2.2	19.3	20	0.4	14.1	17.2
Middle	1	1.6	21.3	178	2.3	19.3	0	0.0	21.1	0	0.0	19.3	20.2
Upper	11	18.0	34.6	1,662	21.7	47.5	10	21.7	37.7	1,251	24.8	48.9	41.9
Unknown	48	78.7	17.3	5,735	74.8	15.1	33	71.7	16.8	3,730	74.0	14.9	0.0
Total	61	100.0	100.0	7,664	100.0	100.0	46	100.0	100.0	5,039	100.0	100.0	100.0
Refinance Loans													
Low	1	6.3	6.4	85	1.9	3.1	1	7.7	2.8	26	1.1	13	20.7
Moderate	0	0.0	12.9	0	0.0	7.8	0	0.0	10.2	0	0.0	6.2	17.2
Middle	1	6.3	18.4	55	1.2	13.5	2	15.4	16.6	368	14.9	12.5	20.2
Upper	2	12.5	43.5	473	10.5	54.6	2	15.4	48.3	650	26.3	57.8	41.9
Unknown	12	75.0	18.8	3,885	86.4	21.1	8	61.5	22.1	1,423	57.7	22.3	0.0
Total	16	100.0	100.0	4,498	100.0	100.0	13	100.0	100.0	2,467	100.0	100.0	100.0
Home Improvement Loans													
Low	1	10.0	6.0	30	4.8	4.2	0	0.0	5.0	0	0.0	3.4	20.7
Moderate	0	0.0	13.1	0	0.0	9.3	0	0.0	12.7	0	0.0	9.9	17.2
Middle	0	0.0	19.9	0	0.0	15.6	2	22.2	18.4	118	16.0	14.5	20.2
Upper	3	30.0	49.6	81	13.0	55.0	2	22.2	54.9	156	21.2	61.4	41.9
Unknown	6	60.0	11.3	510	82.1	15.9	5	55.6	9.0	462	62.8	10.9	0.0
Total	10	100.0	100.0	621	100.0	100.0	9	100.0	100.0	736	100.0	100.0	100.0
Total Home Mortgage Loans													
Low	3	3.4	6.4	204	1.6	3.5	3	4.4	3.9	64	0.8	2.1	20.7
Moderate	0	0.0	17.4	0	0.0	12.4	1	1.5	14.6	20	0.2	10.2	17.2
Middle	2	2.3	19.8	233	1.8	17.2	4	5.9	18.4	486	5.9	15.7	20.2
Upper	16	18.4	37.0	2,216	17.3	48.6	14	20.6	41.8	2,057	25.0	52.2	41.9
Unknown	66	75.9	19.3	10,130	79.2	18.3	46	67.6	21.3	5,615	68.1	19.9	0.0
Total	87	100.0	100.0	12,783	100.0	100.0	68	100.0	100.0	8,242	100.0	100.0	100.0
Source: 2020 FFIEC Census Data													
2011-2015 U.S. Census Bureau: American Community Survey													
Note: Percentages may not total 100.0 percent due to rounding.													
Multifamily loans are not included in the borrower distribution analysis.													

Small Business Lending

The borrower distribution of small business lending is poor. The bank's lending to businesses with revenues of \$1MM or less was significantly below the demographic figure. While performance is poor, approximately 77.0 percent of the bank's loans were originated in the amounts of \$250K or less, which reflects the bank's willingness to meet the credit needs of small businesses.

Table 11

Distribution of 2020 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Tulsa Metropolitan					
	Bank Loans				Total Businesses %
	#	%	\$(000)	%	
By Revenue					
\$1 Million or Less	55	40.7	8,945	38.5	91.2
Over \$1 Million	55	40.7	10,917	47.0	8.1
Revenue Unknown	25	18.5	3,348	14.4	0.7
Total	135	100.0	23,210	100.0	100.0
By Loan Size					
\$100,000 or Less	76	56.3	2,419	10.4	
\$100,001 - \$250,000	28	20.7	4,738	20.4	
\$250,001 - \$1 Million	31	23.0	16,054	69.2	
Total	135	100.0	23,210	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	33	60.0	947	10.6	
\$100,001 - \$250,000	9	16.4	1,449	16.2	
\$250,001 - \$1 Million	13	23.6	6,549	73.2	
Total	55	100.0	8,945	100.0	
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The CD test evaluates the bank's responsiveness to CD needs of its AA through CD loans, qualified investments, and CD services, considering the bank's capacity and the need and availability of such opportunities in the bank's AA. The bank's CD performance demonstrates excellent responsiveness.

Performance was driven primarily by the significant level of CD activities provided by the bank and the overall responsiveness to area credit needs. For this evaluation, examples of qualified CD activities include:

- The bank originated nine Small Business Administration (SBA) Paycheck Protection Program loans totaling \$14.6MM.
- The bank originated two loans totaling \$1.5MM to fund local daycares targeted to LMI families; 18 SBA 504 loans totaling \$27.2MM; and 33 loans that promote the revitalization and stabilization of LMI areas totaling \$59.0MM.
- Additionally, the bank demonstrated strong support of its community through donations to several organizations supporting LMI individuals and families. For example, organizations included community food banks, health care facilities, at-risk youth organizations, and schools where the majority of students qualified under the free and reduced-price lunch program.
- Additionally, many bank employees serve on the boards of directors of various organizations and provide financial expertise. These organizations support economic development initiatives, small businesses, and promote self-sufficiency for LMI individuals.

In addition, given the bank’s responsiveness to area credit needs, consideration was also given to CD activities benefitted a greater statewide/regional or national area outside of the bank’s AA. This included one affordable housing loan, two economic development loans, and one revitalize and stabilize loan totaling \$3.8MM.

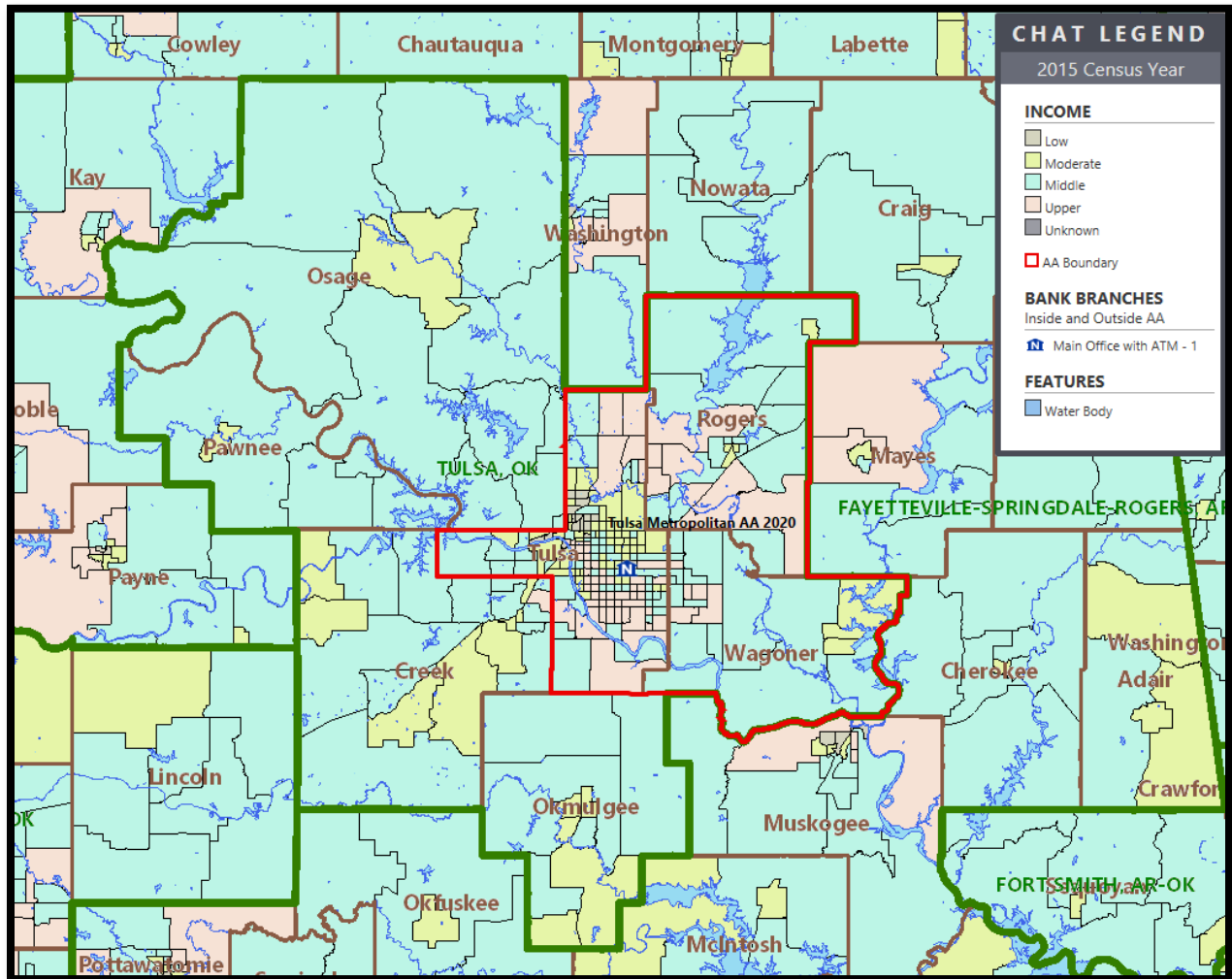
Table 12

Community Development Activity									
Assessment Area: Tulsa Metropolitan									
Community Development Purpose	Community Development Loans		Qualified Investments						Community Development Services
	#	\$(000)	Investments		Donations		Total Investments		
			#	\$(000)	#	\$(000)	#	\$(000)	
Affordable Housing	6	6,693	0	0	0	0	0	0	0
Community Services	3	2,612	9	3,670	69	177	78	3,847	55
Economic Development	18	27,247	0	0	5	58	5	58	8
Revitalization and Stabilization	41	72,517	0	0	0	0	0	0	0
Totals	68	109,069	9	3,670	74	235	83	3,905	63

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.

APPENDIX A – MAP OF THE ASSESSMENT AREA



APPENDIX B – DEMOGRAPHIC INFORMATION

Table B-1

2019 Tulsa Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	17	7.6	10,765	5.3	4,413	41.0	41,977	20.7
Moderate	61	27.1	45,230	22.3	9,336	20.6	34,870	17.2
Middle	80	35.6	74,429	36.7	6,096	8.2	40,888	20.2
Upper	67	29.8	72,140	35.6	2,786	3.9	84,829	41.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	225	100.0	202,564	100.0	22,631	11.2	202,564	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,903	6,671	3.4	29.1	12,302	53.7	3,930	17.2
Moderate	88,895	35,427	18.2	39.9	41,018	46.1	12,450	14.0
Middle	124,263	75,393	38.7	60.7	37,960	30.5	10,910	8.8
Upper	105,387	77,510	39.7	73.5	20,609	19.6	7,268	6.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	341,448	195,001	100.0	57.1	111,889	32.8	34,558	10.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,562	3.5	1,338	3.3	211	5.7	13	4.2
Moderate	9,581	21.4	8,434	20.7	1,093	29.3	54	17.5
Middle	16,690	37.3	15,088	37.0	1,497	40.1	105	34.0
Upper	16,961	37.9	15,894	39.0	930	24.9	137	44.3
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	44,794	100.0	40,754	100.0	3,731	100.0	309	100.0
Percentage of Total Businesses:				91.0		8.3		0.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	3	0.6	2	0.4	1	12.5	0	0.0
Moderate	53	9.8	53	9.9	0	0.0	0	0.0
Middle	260	47.9	257	48.2	3	37.5	0	0.0
Upper	227	41.8	221	41.5	4	50.0	2	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	543	100.0	533	100.0	8	100.0	2	100.0
Percentage of Total Farms:				98.2		1.5		0.4
Source: 2019 FFIEC Census Data 2019 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey								
Note: Percentages may not total 100.0 percent due to rounding.								

Table B-2

2020 Tulsa Metropolitan AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	17	7.6	10,765	5.3	4,413	41.0	41,977	20.7
Moderate	61	27.1	45,230	22.3	9,336	20.6	34,870	17.2
Middle	80	35.6	74,429	36.7	6,096	8.2	40,888	20.2
Upper	67	29.8	72,140	35.6	2,786	3.9	84,829	41.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	225	100.0	202,564	100.0	22,631	11.2	202,564	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	22,903	6,671	3.4	29.1	12,302	53.7	3,930	17.2
Moderate	88,895	35,427	18.2	39.9	41,018	46.1	12,450	14.0
Middle	124,263	75,393	38.7	60.7	37,960	30.5	10,910	8.8
Upper	105,387	77,510	39.7	73.5	20,609	19.6	7,268	6.9
Unknown	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	341,448	195,001	100.0	57.1	111,889	32.8	34,558	10.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	1,572	3.5	1,357	3.3	202	5.5	13	3.9
Moderate	9,745	21.4	8,595	20.7	1,086	29.6	64	19.2
Middle	16,952	37.2	15,370	37.0	1,472	40.1	110	32.9
Upper	17,274	37.9	16,214	39.0	913	24.9	147	44.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	45,543	100.0	41,536	100.0	3,673	100.0	334	100.0
Percentage of Total Businesses:				91.2		8.1		0.7
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low	8	1.5	7	1.3	1	14.3	0	0.0
Moderate	54	10.0	54	10.2	0	0.0	0	0.0
Middle	250	46.3	247	46.5	3	42.9	0	0.0
Upper	228	42.2	223	42.0	3	42.9	2	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	540	100.0	531	100.0	7	100.0	2	100.0
Percentage of Total Farms:				98.3		1.3		0.4

Source: 2020 FFIEC Census Data
 2020 Dun & Bradstreet Data
 2011-2015 U.S. Census Bureau: American Community Survey
 Note: Percentages may not total 100.0 percent due to rounding.

APPENDIX C – 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.