



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

May 20, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank and Trust Company of Vinita
Charter Number 4704**

**102 W. Illinois
Vinita, OK 74301**

**Comptroller of the Currency
Tulsa (eastern Oklahoma)
7134 South Yale Executive Ctr. Bldg., Suite 910
Tulsa, OK 74136**

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.

General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **First National Bank and Trust of Vinita**, prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of May 20, 2005. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

Note: Throughout this evaluation, First National Bank and Trust of Vinita will be referred to as "FNB."

Institution's CRA Rating: This institution is rated **Satisfactory**.

The primary factors that support this rating include:

- FNB generates a majority of its loans within the defined assessment area (AA).
- FNB's loan to deposit (LTD) ratio is satisfactory.
- FNB's lending to individuals of different income levels and businesses and farms of different sizes is satisfactory given the demographics of the AA.
- FNB is doing a satisfactory job of originating loans throughout the AA.
- FNB's lending performance is satisfactory given its size, financial condition, and known credit needs in its AA.
- FNB has not received any consumer complaints regarding CRA performance.

The following pages further describe the bank's CRA performance.

Description of Institution

FNB is a \$168 million dollar rural community bank headquartered in Vinita Oklahoma. The main bank and drive in facility are located in downtown Vinita. They have branches in Grove, Oklahoma and Cleora, Oklahoma. FNB does issue automated teller machine (ATM) cards. FNB also offers Internet Banking and 24-hour telephone banking. The bank's primary focus is to serve commercial and consumer customers in Craig and Delaware counties and the surrounding areas. The bank meets these needs by providing various loan and deposit products as well as other financial services. The bank's lending strategy focuses on one-to-four family real estate loans, commercial real estate loans, consumer loans, and small business loans to meet the needs of the community. The table below shows the composition of the bank's loan portfolio, which represents approximately 56% of total assets as of December 31 2004. Management does not anticipate any significant changes in the composition of the loan portfolio in the near future.

Loan Category	\$ (000)	%
Commercial Real Estate Loans	25,680	27.00%
Commercial Loans	10,011	10.53%
Residential Real Estate Loans	29,596	31.12%
Farm Production Loans	5,491	5.77%
Farm Real Estate Loans	5,654	5.95%
Consumer Loans	16,610	17.46%
Other Loans	2,063	2.17%
Total	95,105	100.00%

The Vinita bank lobby services customers on Monday through Friday, from 9:00am – 4:00pm. The Vinita motor bank is open Monday through Friday from 9:00am – 6:00pm, and Saturday from 9:00am – 12:00pm. The Grove branch is open Monday through Friday, from 9:00am – 4:00pm. The Grove branch motor bank is open Monday through Friday from 7:30am – 5:30pm, and Saturday from 8:00am – 12:00pm. The Cleora branch is open Monday through Friday, from 10:00am – 6:00pm, and Saturday from 10:00am – 2:00pm. FNB faces strong competition from several other financial institutions in the AA. Based on its financial condition, the local economy, product offerings, competition, and prior performance, FNB has the ability to meet the various credit needs in its AA. At our last CRA examination as of April 5 ,1999 the bank's CRA rating was "Satisfactory." No legal impediments or other factors hinder the bank's ability to provide credit in its AA.

Description of Assessment Area

FNB's AA meets the requirements of the regulation and does not arbitrarily exclude low-or-moderate income geographies. The following table describes major demographic and economic characteristics of the AA.

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA	
<i>Population</i>	
Number of Families	14,788
Number of Households	20,482
<i>Geographies</i>	
Number of Census Tracts/BNA	12
% Low-Income Census Tracts/BNA	0%
% Moderate-Income Census Tracts/BNA	0%
% Middle-Income Census Tracts/BNA	91.67%
% Upper-Income Census Tracts/BNA	8.33%
<i>Median Family Income (MFI)</i>	
2000 MFI for AA	34,640
2004 HUD-Adjusted MFI	41,300
<i>Economic Indicators</i>	
2000 Median Housing Value	67,017
# of Households Below Poverty Level	3,336

The AA includes all census tracts in Craig County and Delaware County. This AA contains 12 census tracts, all of which are in middle or upper income tracts.

Community Contact

In conjunction with this CRA examination, we conducted a community contact interview with a local economic development organization to learn about credit opportunities within the community and whether financial institutions address the credit and service needs of the community. The representative stated that FNB is very active in the community and responsive to the credit needs in its AA.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

The Performance Evaluation (PE) assesses FNB's performance focusing primarily on five performance criteria: the loan-to-deposit ratio; lending in the AA; lending to borrowers of different incomes and businesses of different sizes; geographic distribution of loans; and responses to complaints.

To evaluate FNB's lending performance a random sample was taken of 20 1 – 4 family home loans, 20 automobile loans, and 20 business loans. Based on the analysis and consistent with available resources and capabilities, FNB is meeting the credit needs of the AA in a satisfactory manner.

Loan-to-Deposit Ratio (LTD)

FNB's quarterly average LTD meets the standards for satisfactory performance in light of the bank's size, financial condition, comparison to peer banks, and AA demographics. The bank's quarterly average LTD since the April 5, 1999 CRA Public Evaluation is 65.90%. Peer banks had an average LTD of 86.99% over the same time period.

Lending in the Assessment Area

The level of FNB's lending activities within the AA meets the standards for satisfactory performance, as a majority of FNB's loans are made within the AA. Our analysis determined that 68.87% of the number and 65.55% of the dollar amount of loans were made within the AA.

Lending to Borrowers of Different Incomes and Businesses of Different Sizes

Lending patterns within the bank's AA indicate FNB meets the standards of satisfactory performance. Review indicates a satisfactory distribution of loans among borrowers of different income levels and businesses of different sizes. We based our review on a sample of 20 1-4 family residential real estate loans, 20 automobile loans, and 20 business loans within the AA.

Review of 1 – 4 family residential real estate loans and automobile loans indicates that the bank is satisfactorily lending to borrowers of different incomes.

Borrower Distribution of Residential Real Estate Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Residential Loans	20%	10%	19%	35%	23%	25%	38%	30%

Source: Loan sample and U.S. Census data.

Borrower Distribution of Consumer Loans								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	22%	25%	17%	20%	20%	25%	41%	30%

Source: Loan sample and U.S. Census data.

FNB's loan distribution to small businesses is satisfactory. Small businesses are defined as those with gross annual revenues/sales of \$1 million dollars or less. The percentage of bank loans to businesses with revenues/sales less than \$1 million is higher than the percentage of businesses with revenues less than \$1 million located in the AA. Based on the sample of 20 business loans, 80% of the loans were made to businesses with gross revenues/sales of less than \$1 million.

BORROWER DISTRIBUTION OF LOANS TO SMALL BUSINESSES				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	66%	4%	30%	100%
% of Bank Loans in AA by #	80%	20%	0%	100%

Source: Loan sample and U.S. Census data.

Geographic Distribution of Loans

An analysis of the geographic distribution of loans would not be meaningful. The bank's AA consists of 12 census tracts, all of which are in middle or upper income tracts.

Responses to Complaints

Neither FNB nor the OCC received any complaints relevant to CRA during the evaluation period.

Compliance with Fair Lending Laws and Regulations

We found no evidence of illegal discrimination or other illegal credit practices.