



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

July 23, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

102 West Illinois
Vinita, OK 74301

Office of the Comptroller of the Currency
Tulsa Field Office
8282 South Memorial Drive, Suite 300
Tulsa, OK 74133

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, and should not 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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Overall CRA Rating

This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The following factors support the overall rating:

- A majority of the loans were originated inside the bank's assessment area.
- The penetration of loans to individuals and businesses of different income levels is reasonable and meets the standard for satisfactory performance.
- The geographic distribution of loans reflects reasonable dispersion throughout the assessment area and meets the standard for satisfactory performance.
- Community Development lending is satisfactory and indicates adequate responsiveness to the needs of the bank's assessment area.
- The bank's amount of qualified Community Development investments and services indicates adequate responsiveness within its assessment area.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Census Tract (CT): 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 areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or outside the assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, 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 Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., 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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 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.

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 multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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.

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

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

First National Bank & Trust Company of Vinita (FNBV) is a \$412 million rural community bank, chartered in 1892 in Vinita, Cherokee Nation, Indian Territory (currently Craig County, Oklahoma). As of December 31, 2017, FNBV had loans of \$253 million, or 61 percent of total assets. FNBV is a single-state institution with the main bank facility located in downtown Vinita, Oklahoma. FNBV is a subsidiary of Craco, Inc., a single-bank holding company headquartered at the main bank address.

The bank operates four branches within its assessment area, which consists of Craig and Delaware Counties in the State of Oklahoma. The Main Bank and the Motor Bank are located in Vinita, with branches located in Grove, OK and Cleora, OK. The Main Bank, Grove, and Cleora branches offer lobby hours Monday through Friday, with lobby hours offered on Saturday at the Cleora branch. The Motor Bank and Grove branch offer drive-in banking Monday through Saturday. No branches have been opened or closed since the previous CRA evaluation.

The bank also operates eight Automated Teller Machine (ATM) locations. Each banking location has an ATM, with three additional ATMs in the Vinita area and one additional ATM in Grove. The bank also has a mobile ATM which they use to provide ATM services at various events throughout the area.

The following tables provide detailed information on FNBV's branch and ATM locations.

FNBV's Branch Locations		
Location	Address	City
Vinita Lobby	102 West Illinois	Vinita, OK
Vinita Motor Bank	235 North Wilson	Vinita, OK
Grove	600 South Main	Grove, OK
Cleora (inside Kahoot's Grocery)	30796 S. Hwy 85, Ste. B	Afton, OK

FNBV's ATM Locations		
Location	Address	City
Vinita Lobby	102 West Illinois	Vinita, OK
Vinita Motor Bank	235 North Wilson	Vinita, OK
Carter's Foods	102 North Scrapper	Vinita, OK
Shout & Sack	305 South Wilson	Vinita, OK
McDonald's on I-44	Will Rogers Turnpike	Vinita, OK
Grove Branch Drive-Thru	600 South Main	Grove, OK
Jiffy Market	607 South Main	Grove, OK
Kahoot's Grocery	30796 S. Hwy 85, Ste. B	Afton, OK

The bank's lending strategy focuses on commercial/business lending, while also promoting consumer and one-to-four family real estate loans to meet the needs of the community. FNBV offers a variety of loan and deposit products to meet the needs of

the community and achieve their overall business strategy. In addition to providing traditional loan and deposit products and services, FNBV also offers Automated Telephone Banking, Online Banking, and Mobile Banking.

There are no legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its assessment area (AA). A CRA Performance Evaluation was last prepared as of July 20, 2015, and the bank received an overall rating of “**Satisfactory.**”

Scope of the Evaluation

Evaluation Period/Products Evaluated

We completed a full-scope review of FNBV’s CRA activities in its AA under the Intermediate Small Bank (ISB) CRA procedures, which includes the Lending Test and the Community Development (CD) Test. The Lending Test evaluates the bank’s record of meeting the credit needs of the bank’s AA through its lending activities. The CD Test evaluates the bank’s responsiveness to CD needs in its AA through qualified CD lending, investments and donations, and services.

Conclusions regarding the Lending Test are based on samples of business and consumer loans originated from the date of the last performance evaluation (PE), July 20, 2015, through December 31, 2017. Conclusions regarding the CD Test are based on the bank’s CD activities during the same time period.

FNBV’s primary lending products are loans to businesses and loans to consumers. The following table provides additional information on the lending activity during the evaluation period:

Loans Originated during the Evaluation Period				
Loan Category	\$ (000)	% Dollar Volume	Number of Loans	% of Number
Business Loans	\$170,012	57.8%	581	17.6%
1-4 Family Residential RE Loans	\$65,973	22.5%	359	10.9%
Agricultural Loans	\$34,039	11.7%	381	11.5%
Consumer Loans	\$16,905	5.8%	1398	42.2%
Auto Loans	\$6,333	2.2%	467	14.1%
Other Loans	\$1,174	0.5%	123	3.7%
Total	\$294,436	100.0%	3309	100.0%

Selection of Areas for Full-Scope Review

The Craig and Delaware Counties Assessment Area will receive a full-scope review. There are no limited-scope review areas.

Ratings

As FNBV has only one AA, consisting of the two non-Metropolitan Statistical Area counties of Craig and Delaware, the bank's overall rating is based solely on the full-scope review of this AA.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. §25.28(c) or §195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next PE in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this PE

Conclusions with Respect to Performance Tests

The bank's performance under the Lending Test is rated **Satisfactory**. Based on our sample of lending during the evaluation period, which includes loans made between July 21, 2015 and December 31, 2017, FNBV meets the standard for satisfactory performance for lending within its AA.

Community Development lending, investments, and services are **Satisfactory** and indicate adequate responsiveness to the needs of the bank's AA.

LENDING TEST

The bank's performance under the Lending Test is rated **Satisfactory**.

Loan-to-Deposit Ratio

FNBV's Loan to Deposit (LTD) ratio is reasonable. The bank's quarterly LTD ratio since the previous CRA evaluation averaged 62.10 percent. We compared the bank's LTD ratio to four similarly situated banks in their market area. The aggregate average LTD ratio for the competing banks was 81.01 percent, with a low average of 66.28 percent and a high average of 88.36 percent. While FNBV's average quarterly LTD ratio was lower than that of competing banks, FNBV's average includes approximately \$56 million in bankruptcy trustee deposits which cause the LTD ratio to appear lower than it would be otherwise. When these deposits are factored in, FNBV's LTD ratio is commensurate with similarly situated banks in their market area.

Lending in Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Small Business	46	59.74	31	40.26	77	4,913	24.40	15,225	75.60	20,138
Consumer	40	70.18	17	29.82	57	564	70.06	241	29.94	805
Total	86	64.18	48	35.82	134	5,477	26.15	15,466	73.85	20,943

*Source: Evaluation Period: 7/21/2015 - 12/31/2017 Bank Data
Due to rounding, totals may not equal 100.0*

Based on our sample of lending during the evaluation period (July 21, 2015 to December 31, 2017) FNBV meets the standard for satisfactory performance for lending within the AA. We randomly selected 77 business loans and 57 consumer loans. Based upon the combined loan samples, the majority of loans, in terms of number of loans, were originated inside FNBV's AA. The dollar volume of loans originated within

the AA was only 44 percent of the total dollar volume of loans sampled. This can be attributed to three high dollar loans that were outside the bank's AA.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall borrower distribution of loans by income level reflects reasonable penetration to borrowers of different income levels and businesses of different sizes.

Small Loans to Businesses

Based on the data in Tables R in appendix C, the borrower distribution of business loans in the AA is excellent and exceeds the standard. By number of loans made, the bank's percentage of lending to AA small businesses is excellent and exceeds the percentage of reporting AA small businesses with gross annual revenues of less than \$1 million. The bank's percentage of lending to AA small businesses also exceeds the aggregate distribution of loans to those businesses.

Consumer Loans

Based on the data in Tables V in appendix C and the following performance context factors, the borrower distribution of consumer loans in the AA reflects reasonable penetration. While the percentage of loans to low-income borrowers reflects poor penetration, this is attributed to the high number of families living below the poverty level and high unemployment rates within the AA. Lending to moderate-income borrowers reflects excellent penetration and exceeds the percentage of moderate-income households in the AA.

Geographic Distribution of Loans

The overall geographic distribution of loans to small businesses and consumer borrowers reflects reasonable dispersion. There are no low-income CTs and only two moderate-income CTs in the AA.

Small Loans to Businesses

Based on the data in Tables Q in appendix C, the geographic distribution of loans to small businesses reflects excellent dispersion. The bank's percentage of loans to businesses in moderate-income CTs significantly exceeds the percentage of AA businesses located in moderate-income CTs. The bank's percentage of loans to businesses in moderate-income CTs is also stronger than the aggregate distribution of loans in those geographies.

Consumer Loans

Based on the data in Tables U in appendix C and the following performance context factors, the geographic distribution of loans to consumers reflects reasonable dispersion. While the geographic distribution of consumer loans for 2015 and 2016 in moderate-income CTs is reasonable, the geographic distribution of consumer loans in these CTs in 2017 is poor compared to the percentage of households in these CTs. The low percentages of lending in moderate-income tracts is considered appropriate when performance context factors are taken into account. Demographic factors that affect the bank's ability to lend to its customers are more pronounced in moderate-income CTs. In these CTs, approximately 24 percent of families are living below the poverty level and the unemployment rate increases to more than 12 percent. Given these factors, many consumers living in these areas are less likely to meet consumer lending standards.

Responses to Complaints

FNBV received no CRA-related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

FNBV's performance under the CD Test is Satisfactory. The bank's level of CD activities demonstrates adequate responsiveness to the CD needs of their AA.

Opportunities for qualified community development loans and investments are limited in the AA. The State of Oklahoma Department of Commerce has designated both Craig and Delaware Counties as State Enterprise Zones in order to attract more business to the area. Between the 2010 and 2015 Censuses, the population in the area has declined and poverty levels have increased.

During the CD Test evaluation period, FNBV has originated 17 CD loans totaling \$15.3 million, made two qualified bond investments, donated \$85,648 to qualified organizations, and provided qualified officer and employee services to 10 different qualified organizations.

Number and Amount of Community Development Loans

The bank's level of CD lending demonstrates adequate responsiveness to the needs of its AA.

Qualifying CD loans are those that meet the definition of CD, as defined in the CRA regulation. This includes activities that promote affordable housing, community services, economic development and revitalization and stabilization that benefits low- and moderate-income individuals and geographies. Activities are considered to promote economic development if they support permanent job creation, retention,

and/or improvement for low- and moderate-income persons. Qualified CD activities that help revitalize or stabilize a community are activities that attract new businesses or persons to a community or are activities that help retain existing businesses or persons in a community. Qualified activities, may include, for example, providing financing to help retain businesses in an area that employ low- and moderate-income persons; or providing financing to attract a new employer that will create permanent job opportunities for low- and moderate-income persons.

During the review period from July 21, 2015 to December 31, 2017, FNBV originated 17 CD loans totaling \$15.3 million within its AA. Key lending in the AA included loans to finance community service operations, loans to finance revitalizations and stabilization projects, and loans to promote economic development.

Significant loans included:

- FNBV extended two loans totaling \$4.6 million to the local hospital in order to stabilize hospital operations following its filing for bankruptcy. These loans helped to maintain the hospital until it was bought by a larger hospital in late 2016.
- The bank provided \$6.1 million in credit to a new storage business in Jay, OK which created approximately 60 new jobs in this moderate-income CT.
- The bank extended a \$2.8 million loan to a local utility provider to relocate natural gas lines for a highway improvement project.

Number and Amount of Qualified Investments

Qualifying investments are bond or equity investments, deposits, membership shares, or grants that have as their primary purpose CD, as defined in the CRA regulation.

The level of qualified CD investments in the AA indicates adequate responsiveness to the needs of the community. The bank made two qualified investments through the purchase of municipal bonds issued by local public school systems. More than 50 percent of the student population in both school districts qualify for free or reduced-price lunch programs.

These investments include:

- A \$1.9 million investment in bonds benefitting Vinita Public Schools.
- A \$500 thousand bond benefitting Jay Public Schools.

The bank also donated \$85,648 to qualified organizations in their AA during the review period.

Extent to Which the Bank Provides Community Development Services

The level of qualified CD services in the AA indicates adequate responsiveness to the needs of the community. Bank officers and employees have served more than 700 hours in local organizations that provide community services to low- and moderate income families, support economic development, or revitalize and stabilize areas within the AA. They provide technical and financial expertise to these organizations. Four employees also taught financial literacy courses in local schools and community centers.

- **Grand Gateway Economic Development:**
A senior officer serves as President/Treasurer of the Board of this organization, which promotes economic development projects throughout the area.
- **Chambers of Commerce (Vinita and Grove):**
Two bank officers serve as officers and board members for these area Chambers. Each organization promotes business and economic development within their respective communities.
- **Craig County Salvation Army:**
Two bank officers serve as board members and officers of this organization. They also serve on the financial committee of the organization. This organization provides area low- moderate income families assistance with utilities, medication, clothing, and food.
- **Vinita Public Schools Education Foundation:**
A bank officer serves as co-treasurer and secretary for this organization. The officer also serves on the Allocations Committee. This organization provides grants and awards to support teachers and students in this low-income school system.

Responsiveness to Community Development Needs

FNBV's community development activities demonstrate adequate responsiveness to the needs of the community within its AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD loans): (07/21/2015 to 12/31/2017) Community Development Test (CD Loans, Investments, and Services): (07/21/2015 to 12/31/2017)	
Financial Institution	Products Reviewed	
FNBV Vinita, OK	Business and Consumer	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Craig/Delaware Counties AA	Full-Scope	

Appendix B: Community Profiles for Full-Scope Areas

Table A - Demographic Information of the Assessment Area

Assessment Area: Craig/Delaware Counties 2010 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	14.3	85.7	0.0	0.0
Population by Geography	56,516	0.0	20.0	80.0	0.0	0.0
Housing Units by Geography	31,259	0.0	14.7	85.3	0.0	0.0
Owner-Occupied Units by Geography	16,788	0.0	16.1	83.9	0.0	0.0
Occupied Rental Units by Geography	4,964	0.0	24.3	75.7	0.0	0.0
Vacant Units by Geography	9,507	0.0	7.3	92.7	0.0	0.0
Businesses by Geography	3,134	0.0	15.3	84.7	0.0	0.0
Farms by Geography	226	0.0	17.7	82.3	0.0	0.0
Family Distribution by Income Level	15,606	23.7	20.0	21.5	34.7	0.0
Household Distribution by Income Level	21,752	24.2	17.7	19.6	38.4	0.0
Median Family Income Non-MSAs - OK		\$47,749	Median Housing Value			\$96,355
			Median Gross Rent			\$540
			Families Below Poverty Level			14.8%

Source: 2010 U.S. Census and 2016 D&B Data

Due to rounding, totals may not equal 100.0

(*) The NA category consists of geographies that have not been assigned an income classification.

Table A - Demographic Information of the Assessment Area

Assessment Area: Craig/Delaware Counties 2015 Census

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	14	0.0	14.3	85.7	0.0	0.0
Population by Geography	56,153	0.0	17.8	82.2	0.0	0.0
Housing Units by Geography	31,578	0.0	12.9	87.1	0.0	0.0
Owner-Occupied Units by Geography	16,616	0.0	13.4	86.6	0.0	0.0
Occupied Rental Units by Geography	5,363	0.0	22.2	77.8	0.0	0.0
Vacant Units by Geography	9,599	0.0	7.1	92.9	0.0	0.0
Businesses by Geography	3,105	0.0	14.3	85.7	0.0	0.0
Farms by Geography	212	0.0	16.0	84.0	0.0	0.0
Family Distribution by Income Level	14,932	25.0	18.5	21.8	34.7	0.0
Household Distribution by Income Level	21,979	25.5	18.8	17.7	38.0	0.0
Median Family Income Non-MSAs - OK		\$51,698	Median Housing Value			\$112,453
			Median Gross Rent			\$618
			Families Below Poverty Level			15.0%

Source: 2010 U.S. Census and 2016 D&B Data

Due to rounding, totals may not equal 100.0

(*) The NA category consists of geographies that have not been assigned an income classification.

FNBV has one AA in the state of Oklahoma which meets the requirements of the regulation, and does not arbitrarily exclude low- and moderate-income geographies. The Craig/Delaware Counties AA is located in the northeastern corner of Oklahoma and includes all of Craig and Delaware counties. The AA consists of 14 CTs, including five in Craig County and nine in Delaware County. Within the AA, there are two moderate-income CTs and 12 middle-income CTs. There are no low-income or upper-income CTs in the AA. FNBV currently has four locations within its AA. Two locations are in Craig County, and two locations are in Delaware County. The two Craig County branches account for 86.2 percent of deposits with the remaining 13.8 percent of deposits attributed to the two Delaware County branches.

Description of Assessment Area

Craig County is located in far northeastern Oklahoma with its northern edge bordering the state of Kansas. The holding company, Main Bank, and Motor Bank are located in Craig County in the city of Vinita, which is the largest city in the county and also the county seat. Approximately 86 percent of the bank's deposits are attributed to Craig County, and the bank holds 54 percent of the deposit market share in the county. The county consists of one moderate-income CT (20 percent) and four middle-income CTs (80 percent). The Motor Bank is located in the moderate-income CT. The most common employment sectors are healthcare, education, and retail services. The manufacturing industry also provides a significant number of jobs in the county. Craig County also includes the headquarters of the Grand River Dam Authority which is a major employer in the area.

Delaware County is also located in far northeastern Oklahoma with its eastern edge bordering the state of Arkansas. The bank has two locations in Delaware County. One branch is in Cleora which is located on the western side of Grand Lake, while the other branch is located in Grove, which is on the eastern side of Grand Lake and is the largest city in the county. Both branches are located in distressed middle-income CTs. The county seat is located in Jay, Oklahoma. Less than 9 percent of the bank's deposits are attributed to the Delaware County locations. Competition is stronger in this portion of the AA. The county consists of one moderate-income CT (11 percent) and eight middle-income CTs (89 percent). The eight middle-income CTs are designated as distressed due to poverty. The most common employment sectors are manufacturing, retail services, and healthcare. Delaware County also has a significant lake and tourism industry, centered in and around the Grove area.

The tables above summarize the demographic characteristics of the combined counties that make up FNBV's assessment area. The first table shows the demographic characteristics of the AA according to the 2010 Census Data, while the second table shows those same characteristics based on the 2015 Census Data. Population in the AA declined along with the number of businesses and farms from one census to the next. The population of the AA according to the 2015 Census Data was down to 56,153 persons, with businesses and farms declining to 3,105 and 212, respectively. The median family income increased by approximately 8 percent, while the median housing value increased by almost 17 percent. The percentages of families below the poverty level increased from 14.8 percent to 15 percent. Unemployment in the AA is up to 8.5 percent, which is significantly above both state and national averages for unemployment. A large percentage of the population within the AA is classified as low- or moderate-income. The most recent information on the tables shows that 43.5 percent of families are considered low- or moderate-income.

Both Craig and Delaware Counties have been designated by the Oklahoma State Department of Commerce as State Enterprise Zones. These zones are considered disadvantaged and offer tax incentives to attract businesses. The two moderate-income CTs in the AA have also been designated as Federal Opportunity Zones, which offer more incentives to attract businesses.

During the evaluation process, we contacted a local community leader inside the AA to get a better understanding of the general community credit and development needs of the area. The contact indicated that the area needs more support and education for small businesses. The contact indicated that small business owners need to be made aware of the resources that are available to them.

Appendix C: Tables of Performance Data

Content of Standardized Tables

For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables are identified by both letters and numbers, which results from how they are generated in supervisory analytical systems.

The following is a listing and brief description of the tables included:

- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. Because small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. The table also presents aggregate peer data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households throughout those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/assessment area.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2015-16
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Craig/Delaware Counties AA	29	4,202	100.0	541	0.0	0.0	0.0	14.2	24.14	21.4	85.8	75.86	78.6	0.0	0.0	0.0	0.0	0.0	0.0	
Total	29	4,202	100.0	541	0.0	0.0	0.0	14.2	24.14	21.4	85.8	75.86	78.6	0.0	0.0	0.0	0.0	0.0	0.0	

Source: 2016 D&B Data; 01/01/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2017
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Craig/Delaware Counties AA	20	947	100.0	606	0.0	0.0	0.0	14.3	30.0	10.9	85.7	70.0	89.1	0.0	0.0	0.0	0.0	0.0	0.0	
Total	20	947	100.0	606	0.0	0.0	0.0	14.3	30.0	10.9	85.7	70.0	89.1	0.0	0.0	0.0	0.0	0.0	0.0	

Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2015-16	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Craig/Delaware Counties AA	29	4,202	100.0	606	81.3	82.14	50.3	4.2	17.86	14.5	0.0	
Total	29	4,202	100.0	606	81.3	82.14	50.3	4.2	17.86	14.5	0.0	
<i>Source: 2016 D&B Data; 07/21/2015 - 12/31/2016 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2017	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Craig/Delaware Counties AA	20	947	100.0	606	83.4	85.0	50.3	4.8	15.0	11.8	0.0	
Total	20	947	100.0	606	83.4	85.0	50.3	4.8	15.0	11.8	0.0	
<i>Source: 2017 D&B Data; 01/01/2017 - 12/31/2017 Bank Data; 2016 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0</i>												

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2015-16	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Craig/Delaware Counties AA	20	399	100.0	0.0	0.0	18.0	15.0	82.0	85.0	0.0	0.0	0.0	0.0	
<i>Source: 2010 U.S. Census; 07/21/2015 - 12/31/2016 Bank Data. Due to rounding, totals may not equal 100.0</i>														

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Craig/Delaware Counties AA	20	165	100.0	0.0	0.0	15.5	5.0	84.5	95.0	0.0	0.0	0.0	0.0	
<i>Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data. Due to rounding, totals may not equal 100.0</i>														

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2015-16	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Craig/Delaware Counties AA	20	399	100.0	24.2	5.0	17.7	20.0	19.6	25.0	38.4	50.0	0.0	0.0	
Total	20	399	100.0	24.2	5.0	17.7	20.0	19.6	25.0	38.4	50.0	0.0	0.0	

Source: 2010 U.S. Census; 07/21/2015 - 12/31/2016 Bank Data.
Due to rounding, totals may not equal 100.0

Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Craig/Delaware Counties AA	20	165	100.0	25.5	25.0	18.8	30.0	17.7	25.0	38.0	20.0	0.0	0.0	
Total	20	165	100.0	25.5	25.0	18.8	30.0	17.7	25.0	38.0	20.0	0.0	0.0	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.
Due to rounding, totals may not equal 100.0