



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 9, 2012

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**First National Bank
Charter Number 14986**

**2911 South Air Depot
Midwest City, Oklahoma 73110**

**Assistant Deputy Comptroller
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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.

INSTITUTION'S CRA RATING

This institution is rated Satisfactory

The major factors supporting the institution's rating include the following;

- A majority of the bank's loans were originated within the bank's assessment area (AA);
- The loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance;
- The bank's distribution of loans reflects reasonable penetration to individuals and businesses of different income levels and meets the standard for satisfactory performance;
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA and meets the standard for satisfactory performance; and,
- FNB's community development performance demonstrates satisfactory responsiveness to the community development needs of its AA.

Scope of Examination

The evaluation of the bank's lending performance included a review of Home Mortgage Disclosure Act (HMDA) reportable loans (home purchase, home improvement, and home refinance), small business loans, and vehicle loans. FNB's small business and home mortgage lending was evaluated using data for the period January 1, 2009 through December 31, 2011. Vehicle loans sampled were originated in the years 2009 through March 31, 2012. Small business and home mortgage lending are the bank's major loan products. Individual vehicle loans are not primary products; however, they are included in this analysis to provide a broader picture of the bank's lending activities and their relationship to the FNB affiliate, FinancePoint, Inc. (FinancePoint). For community development loans, investments and services, the evaluation period was February 3, 2009 through April 9, 2012.

A Data Integrity examination was conducted in January 2012 to evaluate the bank's process to accurately collect and report HMDA loan data. We found the bank had a good process, along with effective internal controls, to accurately collect and report HMDA information. As a result, HMDA submitted data was used during this CRA review to assess lending performance. We also reviewed the integrity of the bank's small business loans register, which the bank elects to maintain but, as an Intermediate Small Bank, is not required to file.

DESCRIPTION OF INSTITUTION

The First National Bank (FNB) is an intrastate bank headquartered in Midwest City, Oklahoma. All of its branch locations are located within the Oklahoma City metropolitan area. FNB is wholly owned by First Midwest Acquisition Corporation (FMAC), a one-bank holding company also located in Midwest City, Oklahoma. FMAC also wholly owns FinancePoint, Inc. a FNB affiliate. The main bank, ATM, and drive-up facility are located at 2911 South Air Depot, Midwest City, Oklahoma. The tables below provide information on FNB's branch and ATM locations.

First National Bank of Midwest City Branch Locations		
Main Bank	2911 S. Air Depot*	Midwest City
Midwest City - Douglas	1213 S. Douglas	Midwest City
Tinker A.F.B.	Building 685	Midwest City
Tinker A.F.B.	Building 3001	Midwest City
Del City	4330 S.E. 29th Street*	Del City
Moore	604 S. Classen, Suite G	Moore
Choctaw	15801 N.E. 23 rd Street*	Choctaw
Harrah - Country Boy Grocery	20941 S.E. 29 th Street	Harrah

** Branch locations with Drive-up facilities.*

First National Bank of Midwest City ATM Locations		
Corner Market	115 S. Westminister	Midwest City
Crest Discount Foods #1	7212 East Reno	Midwest City
Carl Albert High School	2009 Post Road	Midwest City
Drive-Up ATM	1213 S. Douglas	Midwest City
Douglas Branch	1213 S. Douglas	Midwest City
Midwest Regional Medical Center	2825 Parklawn Drive	Midwest City
Tinker Air Force Base	Post 2r43, Building 9001	Midwest City
Tinker Air Force Base	BX Mall	Midwest City
Tinker Air Force Base	Navy Complex/Mini Mart	Midwest City
Tinker Air Force Base	Service Station	Midwest City
Tinker Air Force Base	Vanaway Dining Hall, Bldg. 5905	Midwest City
Del City Drive-Up	4303 S.E. 15 th Street	Del City
Del City Branch	4330 S.E. 29 th Street	Del City
Moore Branch	604 S. Classen, Suite G	Moore
Choctaw Branch	15801 N.E. 23 rd Street	Choctaw
Country Boy Grocery	20941 S.E. 29 th Street	Harrah
Country Boy #9	18450 East Highway 9	Little Axe

As of December 31, 2011, FNB reported total assets of \$432 million, Tier 1 capital of \$43.5 million, and a loan-to-deposit ratio of 39 percent. Gross loans were reported to be \$147 million, or 34 percent of total assets. Specifically, the bank's loan portfolio consists of the following:

Loan Category	\$ (000)	%
Commercial Real Estate	\$53,040	36.02
Residential Real Estate	\$50,263	34.14
Individual Loans	\$20,354	13.82
Commercial and Industrial	\$18,034	12.25
Other	\$5,544	3.77
Total	\$147,235	100.00

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its (AA). A "**Satisfactory**" rating was assigned at the last Community Reinvestment Act review, which was performed as of February 2, 2009.

The bank's primary focus is to serve commercial and consumer customers in its AA. FNB meets these needs by providing various types of loan and deposit products and services. The ability to lend in its AA continues to be impacted by very strong competition from a substantial number of other banks and financial institutions, or branches of those institutions.

DESCRIPTION OF ASSESSMENT AREA

FNB's Assessment Area (AA) consists of 47 census tracts, 43 in Oklahoma County and 4 census tracts in Cleveland County. Both counties are part of the Oklahoma City MSA, which is comprised of six counties in total. The AA is primarily composed of the complete political subdivisions of Midwest City and Del City and the eastern side of Oklahoma County. The 4 census tracts in Cleveland County surround the bank's branch office in Moore, OK, which is a natural extension of its Del City operations. Of the 47 census tracts in FNB's AA, no tracts are low-income, 18 tracts are moderate-income, 21 tracts are middle-income, and 8 tracts are upper-income.

According to the 2000 U.S. Census Data, FNB's AA has a population of 150,200; and there are 41,958 families and 58,390 households. Although there are no low-income census tracts in the assessment area, there are low- and moderate-income families in the assessment area. Of the 41,958 families, 20 percent are low-income families and 21 percent are moderate-income families. According to the 2000 U.S. Census Data, the median family income for the AA is \$44,898; however, HUD's 2011 updated MSA Median Family Income is \$60,600. Of the 58,390 households, 11 percent are below the poverty level and 5 percent of the households receive public assistance. The median housing value is \$66,542, with the median age of housing stock at 40 years. See the Demographic and Economic Characteristics of Assessment Area table below.

During the evaluation period, February 3, 2009 to April 9, 2012 there was a national economic recession. Although the Oklahoma City MSA economy, commercial business, and real estate market experienced a significant slow down during the review period, Oklahoma City MSA was not as hard hit by the recession as some other parts of the country. The local economy and real estate markets in Oklahoma City MSA, including the bank's AA, are showing marked improvement over sales levels and other indicators 12 months ago. Unemployment in the State of Oklahoma and in the bank's AA spiked during the recession (to 8.7% in the AA in 2010) but remained lower than the national average (9.6% in 2010). The economy in FNB's AA is largely dependent upon consumer goods and service businesses to the military. Portions of the FNB AA, Midwest City and Del City, are beginning to experience moderate growth, primarily fueled by Tinker Air Force Base. The major employers in the AA are Tinker Air Force Base, Mid-Del Public Schools, Midwest Regional Medical Center, Rose State College, and The Boeing Company.

Local banking competition includes several other national and state chartered banks and branches of other larger banks and financial institutions. Large interstate banks competing with branches in Midwest City and/or Del City include BOKF, NA (Bank of Oklahoma), International Bank of Commerce (IBC), JPMorgan Chase, NA, Bank of the West, Arvest Bank, and First Fidelity Bank, NA. Other banking competitors include Advantage Bank, BancFirst, The City National Bank of Lawton and The First State Bank.

Two community contacts were conducted during this review to ascertain community credit needs, to determine bank involvement in the community, and to gather local economic and demographic information. Both contacts noted there have been economic and employment problems nationally in recent years. Both nationally and in Oklahoma loan demand declined with economic uncertainty. However, according to a contact, the Oklahoma economy is recovering quickly because of the influence of the oil industry in the state. Although the oil industry fluctuates, at the present time the Oklahoma economy is in an upturn; and as a result ancillary businesses are starting and expanding. Unemployment was heightened in recent years because of the recession; however, in Oklahoma unemployment is below the national average. The local economy also benefits from continued growth from Tinker Air Force Base. There continues to be new industries and businesses locating to the Midwest City area and surrounding municipalities. According to one contact, the immediate credit need is affordable housing, both rental and owner occupied. The other contact expressed a concern that credit is tight because of regulatory pressure. Both contacts stated the local banks are very involved in community development projects.

Selected information about the demographics of FNB's AA is detailed in the table below.

Demographic and Economic Characteristics of Assessment Area	
<i>Population</i>	
Number of Families	41,958
Number of Households	58,390
<i>Geographies</i>	
Number of Census Tracts/BNA	47
% Low-Income Census Tracts/BNA	0.00%
% Moderate-Income Census Tracts/BNA	38.30%
% Middle-Income Census Tracts/BNA	44.68%
% Upper-Income Census Tracts/BNA	17.02%
<i>Median Family Income (MFI)</i>	
2000 MFI for Assessment Area	44,898
2011 HUD-Adjusted MFI	60,600
<i>Economic Indicators</i>	
2000 Unemployment Rate*	3.40%
2000 Median Housing Value	\$66,542
% of Households Below Poverty Level	11.10%

Source: 2000 US Census Bureau. * According to the US Bureau of Labor Statistics the unemployment rate Feb 2012 in the U.S. was 8.7%; and the unemployment rate in the Oklahoma City MSA that includes the FNB assessment area was 5.8%.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LENDING TEST

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

Loan-to-Deposit Ratio

FNB's loan-to-deposit ratio is reasonable in light of its performance context and meets the standard for satisfactory performance. FNB's loan-to-deposit ratio at December 31, 2011 was 39.13 percent. The bank's average quarterly loan-to-deposit ratio from March 31, 2009 through December 31, 2011 was 46.37 percent. This average was compared to the average of four similar banks located in or near the FNB's AA with total assets between \$200 million and \$550 million, for the same time period. These average loan-to-deposit ratios are listed in the following table:

INSTITUTION	ASSETS (AS OF 12/31/11) (\$000's)	AVERAGE LTD RATIO
<i>First National Bank of Midwest City, OK</i>	<i>\$431,964</i>	<i>46.37%</i>
The Citizens Bank of Edmond, OK	\$261,533	68.33%
Kirkpatrick Bank, Edmond, OK	\$536,180	70.31%
Frontier State Bank, Oklahoma City, OK	\$548,513	71.71%
Republic Bank & Trust, Norman, OK	\$413,191	80.24%

Source: Institution Reports of Condition from March 31, 2009 to December 31, 2011

Several factors contribute to FNB's loan-to-deposit ratio being less than the comparable banks. FNB's ratio is negatively impacted by large public funds holdings that grew from \$59.5 million to over \$106 million during the evaluation period. In addition, during the review period, which included a national recession, the bank's private deposits swelled by over \$65 million dollars as business and consumer customers sought out the bank because of its strong capital position and conservative management. The bank's assessment area, which is primarily the eastern side of the Oklahoma County, includes several rural communities (Spencer, Choctaw, Harrah, OK); and is not a high growth area. At the same time loan demand has continued to be impacted by strong competition in the Oklahoma City metropolitan area, especially from larger banks with local branches. FNB is largely a consumer lender and does not have the high commercial real estate concentrations that boost the lending ratios of many comparable banks. Finally, it is noted that the bank had almost \$17 million in approved and unfunded loan commitments on March 31, 2012.

Lending-related activities include mortgage originations brokered for the secondary market that totaled \$7.2 million in 2009, \$7 million in 2010, and \$7 million in 2011. In addition, the FNB affiliate finance company, FinancePoint, primarily makes small vehicle loans to low and moderate income borrowers. As noted in the Community Development section of this evaluation, in 2011 FNB provided \$4.3 million of financing to support this affiliate’s operations. The bank only underwrites the most credit worthy indirect paper and passes the remaining applications to its affiliate, FinancePoint. This conservative policy helps assure the quality of the FNB individual loan portfolio while improving the likelihood that a loan request will be accepted either as a prime or sub-prime note. However, passing these applications to the bank’s affiliate negatively impacts the bank’s potential LTD ratio. On February 28, 2011, when the bank renewed the FinancePoint Inc. financing, the affiliate had 1,949 loans outstanding totaling \$14 million dollars.

Lending in Assessment Area

FNB’s lending in its AA meets the standard for satisfactory performance. A majority of the number and dollar amount of home mortgage and small business loans, its two primary products, were originated within the bank’s AA. A majority of the number of vehicle loans sampled (57%) were originated within the bank’s AA; however, 48% of the dollar amount of vehicle loans sampled originated outside of the AA. This reflects the larger loan amounts typically requested through indirect lending, much of which is through dealers outside the bank’s AA but in the Oklahoma City MSA. As depicted in the table below, 57.86 percent of the number and 59.51 percent of the dollar amount of loans were originated in FNB’s AA.

LENDING IN AA										
Loan Type	Number of Loans					Dollars of Loans (000’s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Mortgage	319	63.17%	186	36.83%	505	\$15,761	54.93%	\$12,930	45.07%	\$28,691
Small Business	220	51.64%	206	48.36%	426	\$66,326	60.75%	\$42,855	39.25%	\$109,181
Vehicle Loans	17	56.67%	13	43.33%	30	\$192	48.25%	\$206	51.75%	\$398
Totals	556	57.86%	405	42.14%	961	\$82,279	59.51%	\$55,991	40.49%	\$138,270

Source: 2009 – 2011 HMDA LAR data, small business loan records and sample of 2009 – March 31, 2012 vehicle loans

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

FNB’s borrower distribution of small business loans, home mortgage loans and vehicle loans in the AA is reasonable and meets the standard for satisfactory performance.

FNB’s borrower distribution to businesses with revenues of \$1 million or less is satisfactory. The percentage of bank loans by number significantly exceeded the percentage of reporting businesses with revenues of \$1 million or less in the AA. The percentage of bank loans by dollar was very close to the percentage of reporting businesses with revenues of \$1 million or less in the AA. However, note that 36.13 percent of the businesses in the AA did not report income data.

BORROWER DISTRIBUTION OF LOANS TO BUSINESSES				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	62.20%	1.67%	*36.13%	100%
% of Bank Loans in AA by #	83.64%	16.36%	0.00%	100%
% of Bank Loans in AA by \$	60.97%	39.03%	0.00%	100%

Source: Dunn and Bradstreet data and 2009 – 2011 small business loans records

* 36.13% of the businesses did not report income data.

The bank’s distribution of home mortgage loans is satisfactory. While the percentage of home purchase loans to low- and moderate income borrowers is less than the corresponding percentages of low- and moderate-income families in the AA, this performance is not unreasonable in light of the recent recession during the evaluation period and the difficulty low-income families have qualifying for conventional home mortgage products. Borrowers in these income ranges were especially hesitant to purchase new homes when unemployment was at all-time highs in the State and locally. Lending to moderate income borrowers for home-improvements and refinancings was satisfactory and corresponded with percentages of moderate-income families in the AA. Rather than risk purchasing new homes these families elected to maintain their existing housing.

FNB has been involved in the *Midwest City Home Rehabilitation Loan Program* since its inception in 2003. This is an interest-free loan program for housing rehabilitation and home improvements. The program is available to Midwest City residents who owned or lived in their home for 2 years, are income eligible, and have a record of good payment history on past and present debts. Over the past eight years, 25 homeowner applications have been approved, and over \$165,947 have been loaned to repair, maintain, or remodel homes in Midwest City. Since the last CRA examination, FNB has regularly provided credit reports for the Program and booked 3 loans under this program totaling \$32,878.

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
Home Purchase	20.21%	6.82%	20.79%	2.27%	23.62%	27.27%	35.38%	61.36%
Home Improvement	20.21%	12.12%	20.79%	25.45%	23.62%	30.30%	35.38%	30.91%
Home Refinance	20.21%	12.20%	20.79%	20.73%	23.62%	25.61%	35.38%	41.46%

Source: U.S. Census data and 2009 – 2011 HMDA LAR data

The distribution of vehicle loans made by FNB to low- and moderate-income borrowers in the bank’s AA does not meet the standard; however, individual vehicle loans is not one of the bank’s primary products. Individual loans comprise less than 14 percent of gross loans; however, they are included in this analysis to provide a broader picture of the bank’s lending activities. Although sampling indicated about 57 percent of the vehicle loans made in the review period were made to borrowers residing in the bank’s AA, the bulk of the bank’s vehicle lending is through indirect lending. As stated above, the bank only underwrites the most credit worthy indirect paper and passes the remaining applications to its affiliate, FinancePoint. Testing demonstrated that most FinancePoint borrowers were low- or moderate-income borrowers. This explains the lower number and amount of vehicle loans made by low- and moderate-income borrowers in the AA and booked at the FNB level. Many of these persons were financed through FinancePoint.

BORROWER DISTRIBUTION OF VEHICLE LOANS								
Borrower Income Level	Low		Moderate		Middle		Upper	
% of AA Households	20.82%		17.94%		21.62%		39.62%	
Vehicle Loans	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
Totals	10.00%	4.02%	10.00%	3.58%	55.00%	61.91%	23.34%	30.49%

Source: U.S. Census data and sample of 2009 – March 31, 2012 vehicle loans

The bank offers a consumer loan product, ***Second Chance Program***, which targets military personnel and is offered through the Tinker Air Force Branch. The purpose of the program is to help those who have come into financial distress and would not qualify under normal underwriting standards but deserve a second chance. During the review period the bank has originated 6 loans totaling \$33 thousand under this program.

Geographic Distribution of Loans

The overall geographic distribution of loans is reasonable and meets the standard for satisfactory performance. FNB’s geographic distribution of small business, home mortgage, and vehicle loans in FNB’s AA is reasonable. There are no low-income census tracts in FNB’s AA. As a result, less weight was given to the geographic distribution and more weight was given the income distribution of primary products when assessing the bank’s overall lending performance.

The geographic distribution of small business loans exceeds the standard. Small businesses loans made to business borrowers in moderate-income tracts exceed the percentage of small businesses located in those tracts.

GEOGRAPHIC DISTRIBUTION OF LOANS TO BUSINESSES								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business Loans	0.00%	0.00%	25.08%	28.64%	54.28%	46.82%	20.64%	24.54%

Source: Dunn and Bradstreet data and 2009 – 2011 small business loans records

The geographic distribution of home mortgage loans in moderate-income tracts is satisfactory. Although the percentage of home purchase loans and refinancings is below the percentage of owner occupied housing, this is not an unusual pattern in light of the national and State recession that occurred during the review period. As explained above, low- and moderate-income homeowners tended to avoid new home purchases and maintain their existing dwellings. The percentage of home improvement loans made to borrowers residing in moderate-income census tracts in the FNB AA almost exactly matches the percentage of owner occupied housing in those moderate-income tracts.

GEOGRAPHIC DISTRIBUTION OF RESIDENTIAL REAL ESTATE LOANS								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	0.00%	0.00%	25.99%	13.64%	53.16%	25.00%	20.85%	61.36%
Home Improvement	0.00%	0.00%	25.99%	25.45%	53.16%	53.94%	20.85%	20.61%
Home Refinance	0.00%	0.00%	25.99%	18.29%	53.16%	63.42%	20.85%	18.29%

Source: U.S. Census data and 2009 – 2011 HMDA LAR data

Based upon our vehicle loan sampling, the distribution of vehicle loans to moderate-income tracts does not meet the standard; however, individual/vehicle loans is not one of the bank's primary lending products and much of the individual vehicle lending is via indirect paper. Our sampling indicated the percentage of loans made in moderate-income tracts is less than the percentage of households in those tracts. As explained above, the bank only underwrites the most credit worthy indirect paper and passes the remaining applications to its affiliate, FinancePoint. Since most FinancePoint borrowers are low- or moderate-income borrowers, this tends to explain why fewer than expected FNB loans were made to borrowers residing in one of the bank's moderate-income census tracts. Many of these persons were financed through FinancePoint.

GEOGRAPHIC DISTRIBUTION OF VEHICLE LOANS								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan type	% 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	0.00%	0.00%	33.15%	20.00%	50.34%	30.00%	16.51%	50.00%

Source: U.S. Census data and sample of 2009 – March 31, 2012 vehicle loans

Responses to Complaints

There have been no consumer complaints regarding the bank’s Community Reinvestment Act performance during the evaluation period.

COMMUNITY DEVELOPMENT TEST

CD Loans, Qualified Investments, and CD Services Test

The bank’s performance under the Community Development Test is rated **“Satisfactory.”** FNB’s community development performance demonstrates satisfactory responsiveness to the community development needs of its assessment area.

Opportunities for qualified community development loans and investments are very limited in the bank’s AA. Several of the bank’s branches are located in rural low-density areas. The largest city in the AA is Midwest City, which has a 2011 population of only 56,314. Based upon the 2000 U.S. Census designations, the main bank in Midwest City and two of the bank’s branches located on Tinker Air Force Base are located in moderate-income census tracts.

FNB is very active in the communities they serve. This is evidenced by their leadership roles on various civic and non-profit organizations that provide services to low- and moderate-income individuals. The bank is also involved with, invests in, or lends to organizations whose focus is on community or economic development. FNB has made a significant financial commitment to the local hospital, a major health care provider for rural communities and counties in central Oklahoma. The bank has been very active in holding leadership positions in the Midwest City, Choctaw, Harrah, and Moore Chambers of Commerce, which are primarily involved in economic development and small business creation. The bank has also made significant donations to the United Way, Central Oklahoma Habitat for Humanity, Midwest City – Del City Public Schools, and the Mid-Del Food Pantry.

Community Development Loans

Qualifying community development loans are those that meet the definition of community development, as defined in the CRA regulation. At the review date FNB had originated \$16.5 million of qualified community development loans. These loans included:

FNB renewed a revolving line of credit to its affiliate FinancePoint, Inc that makes subprime loans primarily to low- and moderate-income persons. FinancePoint is an Oklahoma supervised lender operating in Del City that makes small loans to credit challenged consumers. These loans particularly fill the assessment area need for subprime credit that provides consumers with poor credit the financing necessary to obtain an automobile to get to work.

The bank extended a \$2.5 million loan to the Choctaw Utilities Authority for essential community wide capital improvements infrastructure. Choctaw is a rural community 20 miles east of Midwest City with a population of approximately 4 thousand. Critical infrastructure addressed by this loan included water plant improvements, sewer improvements, and road improvements.

The bank extended a \$1.95 million loan to the Del City Economic Authority for the construction of a police station in Del City and for street improvements and the renovation of the community center. Del City is predominately a moderate-income community where the majority of census tracts are designated as moderate-income geographies.

The bank extended a \$640.5 thousand loan to Choctaw Church of the Nazarene to finance the land and construction of its building located in the Indian reservation. The church serves a primarily low- and moderate-income (LMI) congregation and other LMI persons in need.

The bank extended a \$300 thousand loan to re-establish a pharmacy in a moderate-income area of Guthrie, OK. The new start-up pharmacy, under new management, is in the same location as a closed pharmacy that had served this LMI community for over 20 years.

Community Development Investments

Qualifying investments are investments, deposits, membership shares, or grants that have as their primary purpose community development, as defined in the CRA regulation. Opportunities for qualified community development investments are limited in the bank's assessment area. Nevertheless, during the evaluation period, exclusive of donations, FNB invested in 9 community-development qualified municipal securities, totaling \$5.22 million that will finance several new schools benefiting students in low- and moderate-income families and capital improvements, including repair of storm water drainage facilities in Del City. FNB also made over 122 community-development qualified donations, totaling \$69.5 thousand, in its assessment area and distributed \$41 thousand of the Community Development Financial Institutions (CDFI) grant described below.

During the evaluation period, the bank also renewed a prior period \$500 thousand equity investment in the Oklahoma MetaFund, which is a non-profit, multi-bank funded community development, private equity, and venture capital firm. The mission of the MetaFund is to retain or create jobs for low-income and other underserved people, create affordable housing, and to provide other direct services and benefits for underserved areas throughout Oklahoma.

The Department of Treasury Community Development Financial Institutions (CDFI) Fund selected FNB to receive an award of \$75 thousand through the FY 2011 funding round of *the Bank Enterprise Award Program* for its support of MetaFund Corporation. This CDFI Grant was made to FNB to assist low- to moderate-income (LMI) programs. At the evaluation date, the banks had distributed \$41 thousand of the grant to 5 organizations: Rose State College Foundation, Midwest City YMCA Strong Kids, Mid-Del Food Pantry, Mission Mid-Del, and Healing Hearts Health Clinic. The remaining funds will be distributed in 2012.

Community Development Services

The level of qualified community development services is excellent. Bank officers have served in leadership positions on organizations that provide community services to low- and moderate-income families and provided technical expertise and financial assistance to these organizations. Bank officers also serve in leadership positions on organizations that are involved in economic and small business development activities. During the review period bank officers have served in qualifying positions or led over 42 different service organizations in their assessment area. The following are examples of qualifying community development services.

- ***Midwest City, Choctaw, Moore, and Harrah Chambers of Commerce***
Bank officers serve as Board members on the Chambers of Commerce in the communities FNB serves. These Chambers are active in economic and business development efforts.
- ***Midwest City Economic Development Commission***
President Robert Croak serves as Chairman of the Board. This organization plans and promotes economic development, especially new job creation, in Midwest City and in the bank's broader assessment area including Del City and the AA communities in eastern Oklahoma County.
- ***Midwest City YMCA***
Two bank officers serve on the Board of the Midwest City YMCA and one is the past Chairman of the Board. They provide financial expertise including advice and counsel on expenditures and assist in fund raising activities.
- ***Cleveland County Habitat for Humanity***
A bank officer serves on the Board of Directors. Habitat for Humanity works to eliminate substandard housing by developing affordable housing for low- and moderate-income persons.

- ***New Beginnings***

A bank officer served as a Board member of this organization. New Beginnings provides services to those whose lives have been affected by domestic violence; and provides a home and services for unwed mothers in need.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices with helping to meet community credit needs.