



**SMALL BANK**

---

Comptroller of the Currency  
Administrator of National Banks

---

## **PUBLIC DISCLOSURE**

**February 18, 2003**

### **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

**The First National Bank And Trust Co.  
Charter Number 5547**

**302 Chickasha Avenue  
Chickasha, OK 73023**

**Comptroller of the Currency  
Kyle M. Jones  
Assistant Deputy Comptroller - Oklahoma City (CE & WE Oklahoma)  
301 NW 63rd Street Harvey Pkwy. Bldg., Suite 490  
Oklahoma City, OK 73116**

**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.**

## TABLE OF CONTENTS

<b>INSTITUTION'S CRA RATING.....</b>	<b>2</b>
<b>DESCRIPTION OF INSTITUTION .....</b>	<b>3</b>
<b>DESCRIPTION OF FIRST NATIONAL BANK &amp; TRUST COMPANY ASSESSMENT AREA</b>	<b>4</b>
<b>CONCLUSIONS ABOUT PERFORMANCE CRITERIA.....</b>	<b>5</b>

## **INSTITUTION'S CRA RATING**

**This institution is rated Satisfactory.**

The major factors that support this rating include:

- A substantial majority of the bank's loans are made within the assessment area (AA).
- The bank is adequately meeting the lending needs of the AA.
- The bank's loan-to-deposit ratio is reasonable.
- The bank's distribution of loans among borrowers of different income levels is satisfactory throughout the AA.
- The geographic distribution of loans reflects a reasonable dispersion throughout the AA.
- The bank has not received any consumer complaints regarding CRA performance.

## DESCRIPTION OF INSTITUTION

The First National Bank and Trust Company, Chickasha, Oklahoma (FNB&T) is headquartered in Chickasha, Oklahoma. The bank is a wholly owned subsidiary of First Independent Bancorp, Incorporated, a one-bank holding company.

The main bank is located at 302 Chickasha Avenue in Chickasha, Oklahoma. Full service branches are located at 6th and Grand Avenue, Chickasha, Oklahoma, 102 S. Main, Alex, Oklahoma, 621 S. 2nd Street, Minco, Oklahoma, and 222 W. Blakely, Rush Springs, Oklahoma. Drive-in facilities are located at 6th and Chickasha, Chickasha, Oklahoma, the main bank, Alex, Minco, and the Rush Springs branches. Automated Teller Machines (ATMs) are accessible at the main bank, the drive-in facility in Chickasha, and at the branches in Chickasha, Minco, and Rush Springs.

FNB&T's primary focus is to serve the commercial, consumer, and agricultural customers in the assessment area (AA) and surrounding communities in Grady County. The bank offers a wide variety of services and products. Traditional loan products are offered such as consumer, home purchase, home equity, business, agricultural, and commercial loans. Home mortgage loans over ten years are referred to the mortgage operating entity First Independent Capital, Inc. The bank offers trust services, financial planning services, Automated Clearing House (ACH), Internet banking, and cash management services. Seven different checking account types and three savings account types, in addition to CDs and IRAs are currently offered.

As of December 31, 2002, FNB&T's total assets equaled \$168 million, of which \$92 million, or 55 percent, were composed of various types of loans to individuals and commercial businesses. The bank's loan portfolio is segmented as follows:

<b>Loan Category</b>	<b>\$ (000)</b>	<b>%</b>
Commercial Real Estate Loans	\$15,193	16.46%
Commercial Loans	\$34,640	37.52%
Residential Real Estate Loans	\$27,749	30.05%
Consumer Loans	\$14,746	15.97%
<b>Total</b>	<b>\$92,328</b>	<b>100.00%</b>

There are no known, legal, financial, or other factors impeding management's ability to help meet the credit needs of the designated assessment area (AA). Accessibility to the bank's financial services was enhanced with the introduction of Internet banking. The last review of the bank's performance under the Community Reinvestment Act was completed as of February 9, 1998 and a "Satisfactory" rating was assigned.

## DESCRIPTION OF FIRST NATIONAL BANK & TRUST COMPANY ASSESSMENT AREA

The AA adopted by FNB&T, consists of whole geographies, does not reflect illegal discrimination, and does not arbitrarily exclude low- or moderate-income geographies. As of the examination, the bank's AA consists of nine census tracts. The composition of the AA meets the requirements of the CRA regulation, and is comprised of one low income census tract, one moderate income census tract, five middle income census tracts, and two upper income census tracts. The low and moderate income census tracts are located in the North (Tract 1) and Western (Tract 2) sections of the city of Chickasha.

Total population of the tracts is 41,747. Of the 17,788 total housing units, 11,785 or 67 percent are owner occupied. Households below the poverty level total 2,946 or 19 percent and households that receive public assistance total 1,293 or 8 percent of the total number of households.

<b>DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF AA</b>	
<i>Population</i>	
Number of Families	11,874
Number of Households	15,499
<i>Geographies</i>	
Number of Census Tracts/BNA	9
% Low-Income Census Tracts/BNA	1
% Moderate-Income Census Tracts/BNA	1
% Middle-Income Census Tracts/BNA	5
% Upper-Income Census Tracts/BNA	2
<i>Median Family Income (MFI)</i>	
1990 MFI for AA	\$26,551
1990 HUD-Adjusted MFI	\$24,139
2002 HUD-Adjusted MFI	\$34,200
<i>Economic Indicators</i>	
Unemployment Rate	3.29%
1990 Median Housing Value	\$41,415
% of Households Below Poverty Level	19.01%

The economy in Chickasha is relatively stable. Major employers are Delta Faucets, Arvin, the public school system, and the University of Science and Arts of Oklahoma (USAO). Services represent 33 percent of the business sector, followed by retail trade at 17 percent.

Local banking competition is moderately aggressive and includes several community, regional and national banks and/or branches of these financial institutions.

A community contact was conducted during this review. This interview was conducted with a local community support group. The contact indicated that area financial institutions are perceived as taking an active role in the community and strive to meet the financial needs of the area.

## **CONCLUSIONS ABOUT PERFORMANCE CRITERIA**

This Performance Evaluation (PE) assesses FNB&T’s performance focusing primarily on five performance criteria: the loan-to-deposit ratio, lending in the AA, lending to borrowers of different incomes and to businesses/farms of different sizes, geographic distribution of loans, and responses to complaints.

In evaluating the bank’s lending performance, residential, consumer, and commercial loans extended in 2002 were assessed. This resulted in an analysis of 90 loans.

Based on this analysis and consistent with available resources and capabilities, the bank is meeting the credit needs of the AA in a satisfactory manner.

### **Loan-to-Deposit Ratio**

As illustrated in the table below, FNB&T’s loan-to-deposit ratio is in the median range when compared to banks of similar asset size within the AA.

<b>Institution</b>	<b>Assets (as of 09/30/02)</b>	<b>Average LTD Ratio</b>
Chickasha Bank & Trust	\$97,727	84.34%
The Bank of Union	\$89,243	74.02%
FNB Lindsay	\$23,593	51.43%
FNB Marlow	\$50,712	66.07%
The Bank of Verden	\$18,703	56.73%
<b>FNB&amp;T</b>	<b>\$165,272</b>	<b>59.20%</b>

The loan to deposit ratio is reasonable given the institution’s size, financial condition, and AA credit needs. The high average ratio for all banks in the AA was 89.28 percent. The low average ratio for all banks in the AA was 29.33 percent. The average for all banks in the AA at September 30, 2002, was 64.50 percent.

## Lending in Assessment Area

FNB&T's lending in the AA exceeds the standard for satisfactory performance. This conclusion is based on an analysis of sample loans, as depicted in the following table:

TOTAL LOANS REVIEWED								
	IN ASSESSMENT AREA				OUT OF ASSESSMENT AREA			
LOAN TYPE	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home	28	93%	\$1,555	96%	2	7%	\$59	4%
Consumer	26	87%	\$163	89%	4	13%	\$20	11%
Total Reviewed	54	90%	\$1,718	96%	6	10%	\$79	4%

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

The distribution of borrowers reflects a reasonable dispersion among individuals as well as businesses and farms of different income levels within the AA. The following tables use income data collected from the sample of residential, consumer and business loans selected for review.

RESIDENTIAL REAL ESTATE								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Families	20.00		15.70		19.50		44.80	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	17	4	17	20	30	27	36	49

CONSUMER								
Borrower Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	22.20		14.50		16.60		46.70	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	41	33	7	3	24	21	28	43

One consumer customer did not disclose income out of the sample selected.

BORROWER DISTRIBUTION OF SMALL LOANS TO BUSINESSES		
Business Revenues	≤\$1,000,000	>\$1,000,000
% of AA Businesses	79.41%	4.78%
% of Bank Loans in AA #	86	14
% of Bank Loans in AA \$	53	47

## Geographic Distribution of Loans

The geographical distribution of sampled loans reflects a reasonable dispersion throughout the AA. The addresses and tract location of the sampled residential, consumer, commercial and agricultural loans within the AA were used to determine the distribution. This information was then compared to the distribution of families, households and businesses from the 1990 census data. The results are reflected in the following tables:

RESIDENTIAL REAL ESTATE								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Owner Occupied	3.6		2.2		53.7		40.4	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	4	1	4	1	82	23	10	3

CONSUMER								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Households	8.3		5.7		56.6		38.6	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	4	7	4	3	62	69	30	21

BUSINESS LOANS								
Census Tract Income Level	LOW		MODERATE		MIDDLE		UPPER	
% of AA Businesses <sup>6</sup>	3.7		2.5		58.1		35.7	
	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount	% of Number	% of Amount
	17	43	0	0	79	57	4	.2

## Responses to Complaints

No complaints concerning the Community Reinvestment Act have been received since the last CRA Examination of the bank on February 9, 1998.

## Fair Lending Review

An analysis of public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on the analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1998. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.