



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 22, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Great Plains National Bank
Charter Number: 23049

2017 West Third
Elk City, OK 73644-0000

Office of the Comptroller of the Currency

OKLAHOMA CITY (CENT & WEST OKL Field Office)
The Harvey Parkway Building 301 NW 63rd Street, Suite 490
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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 "Outstanding".

The Lending Test is rated: "Outstanding".

The Community Development Test is rated: "Outstanding".

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

- A substantial majority of the bank's loans were originated within the bank's assessment area (AA).
- The loan-to-deposit ratio is more than reasonable and exceeds the standard for satisfactory performance.
- The bank's distribution of loans reflects an excellent penetration to individuals and businesses of different income levels and exceeds the standard for satisfactory performance.
- Great Plains National Bank's (GPNB's) community development performance demonstrates good responsiveness to the community development needs of its AA.

Scope of Examination

This Performance Evaluation is based on 2000 U.S. Census demographic information. Conclusions regarding the Lending Test are based on data from a sample of home mortgage, vehicle and small business loans extended from 2008 through 2009. Conclusions regarding the Community Development Test are based on community development activities from April 11, 2005 through December 31, 2009.

This is the bank's first time to be evaluated under the Intermediate Small Bank Examination Procedures. Therefore, an onsite visitation was conducted in September 2009 to help the bank to prepare for the CRA examination and to assist with identifying and qualifying community development activities.

Description of Institution

Great Plains National Bank (GPNB) is headquartered in Elk City, Oklahoma. The bank is 100 percent owned by First Bancorp of Oklahoma, Inc., a one-bank holding company headquartered in Hollis, Oklahoma.

GPNB has nine operating locations that provide full service banking. The main office is located at 2017 West Third, Elk City, Oklahoma. Other branch locations are located in the towns of Elk City, Hobart, Hollis, Sayre, Granite, Mangum, Burns Flat, and Cordell. Elk City has two branch locations. All branch locations have drive-in facilities that offer extended banking hours. Automated Teller Machines (ATMs) are located at each branch with the exception of Granite. During the evaluation period, GPNB opened two new branch locations and closed one. A new location opened on June 20, 2005 in Elk City. A second location was opened in Hobart on February 27, 2006. The Eldorado location was closed on March 29, 2008. All of GPNB's branches are located in middle-income census tracts that are designated distressed or underserved. The bank also offers telephone and Internet banking as alternative distribution methods. GPNB's primary focus is to serve the commercial, agriculture, and consumer customers in the above communities and the surrounding areas in southwestern Oklahoma. The bank meets these needs by providing various loan and deposit products, as well as, other financial services. Hours of operation are responsive to the general banking needs of the areas served.

As of December 31, 2009, GPNB's total assets equaled \$327 million, of which \$284 million, or 87 percent, were comprised of various types of loans to individuals and commercial businesses. The bank's loan portfolio is segmented as follows:

| LOAN CATEGORY | \$ (000) | % |
|---------------------------------|------------------|----------------|
| Real Estate Loans | \$168,162 | 59.31% |
| Commercial and Industrial Loans | \$40,579 | 14.31% |
| Individual Loans | \$29,524 | 10.41% |
| Agricultural Loans | \$42,884 | 15.12% |
| Other Loans | \$2,391 | 0.85% |
| Total | \$283,540 | 100.00% |

There are no legal or financial impediments to GPNB's ability to meet the credit needs of their assessment area. The bank's CRA performance was last evaluated as of April 11, 2005, with an "*Outstanding*" rating assigned.

Description of Assessment Area

The AA adopted by GPNB consists of whole geographies, does not reflect illegal discrimination, and does not arbitrarily exclude low- or moderate-income geographies. The AA meets the requirements of the CRA regulation.

| DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF GPNB's AA | |
|--|----------|
| Population | |
| Number of Families | 15,044 |
| Number of Households | 21,894 |
| Geographies | |
| Number of Census Tracts | 16 |
| % Low-Income Census Tracts | 0.00% |
| % Moderate-Income Census Tracts | 0.00% |
| % Middle-Income Census Tracts | 100.00% |
| % Upper-Income Census Tracts | 0.00% |
| Median Family Income | |
| Census MSA Median Family Income | \$35,517 |
| HUD Updated MSA Median Family Income | \$44,000 |
| Economic Indicators | |
| % Unemployment Rate | 5.70% |
| Median Housing Value | \$43,663 |
| % of Households Below Poverty Level | 18.45% |

Source: 2000 U.S. Census and 2008 HUD updated income data.

GPNB's AA includes 7 counties in southwestern Oklahoma to include all of Beckham, Harmon, Greer, Washita, Kiowa, and Roger Mills and a portion of Jackson County. The AA comprises 16 census tracts. All 16 census tracts are middle-income tracts. Total population of the AA is 56,522. Of the 29,297 total housing units, 16,187 or 55 percent are owner occupied. Households below the poverty level total 4,040 or 18 percent and households that receive public assistance total 1,372 or 6 percent of the total number of households. Major local employers include Great Plains Regional Hospital, Elk City Public Schools, Wal-Mart, Bar-S Foods and the city of Elk City.

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

The local economic conditions are generally weak. The local economy is largely dependent on the energy and agriculture industries. A slow down in the energy industry has contributed to job losses in the area. The local agricultural industry has been relatively stable with favorable crop yields and cattle prices. Low interest rates have supported the local housing market. A community contact was conducted during this review. The contact indicated that GPNB and other local area financial institutions continue to be very active and strive to meet the financial needs of the area.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank’s performance under the Lending Test is rated **“Outstanding.”**

Loan-to-Deposit Ratio

GPNB’s loan-to-deposit ratio exceeds the standard for satisfactory performance. The bank’s loan-to-deposit ratio at September 30, 2009 was 100.11 percent. The bank’s average quarterly loan-to-deposit ratio from June 30, 2005 through September 30, 2009 was 94.06 percent. This average was compared to the average of four similar banks located in GPNB’s AA with total assets between \$150 million and \$350 million, for the same time period. These average loan-to-deposit ratios are listed in the following table:

| Loan-To-Deposit Ratios | | |
|---|---|--|
| Institution | Total Assets \$000’s (As of 9/30/09) | Average Loan –to- Deposit Ratio |
| Bank of Western Oklahoma, Elk City, OK | \$178,574 | 69.40% |
| Great Plains National Bank, Elk City, OK | \$324,373 | 94.06% |
| First National Bank & Trust, Elk City, OK | \$245,896 | 70.04% |
| Interbank, Elk City, OK | \$218,729 | 90.47% |
| First National Bank in Altus, OK | \$273,911 | 40.45% |

Source: Institution Reports of Condition from June 30, 2005 to September 30, 2009

GPNB has an additional \$33.8 million in loan participations sold. GPNB is an active Farm Service Agency (FSA) and Small Business Administration (SBA) lender. During the evaluation period, GPNB originated 47 FSA loans totaling \$7.6 million and 30 SBA loans totaling \$8.6 million. These types of loans enhance credit availability to their customers within the AA.

Lending in Assessment Area

GPNB’s lending in its AA exceeds the standard for satisfactory performance. A substantial majority of the number and dollar amount of home mortgage, vehicle and small business loans were originated within the bank’s AA. As depicted in the table below, 86.67 percent of the number and 85.03 percent of the dollar amount of loans were originated in GPNB’s AA.

| Lending in AA | | | | | | | | | | |
|----------------------|-----------------|---------------|-----------|---------------|-----------|--------------------------|---------------|--------------|---------------|----------------|
| Loan Type | Number of Loans | | | | | Dollars of Loans (000’s) | | | | |
| | Inside | | Outside | | Total | Inside | | Outside | | Total |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Mortgage | 24 | 82.76% | 5 | 17.24% | 29 | \$1,336 | 73.96% | \$471 | 26.04% | \$1,807 |
| Vehicle | 29 | 90.62% | 3 | 9.38% | 32 | \$207 | 85.53% | \$35 | 14.47% | \$242 |
| Small Business | 25 | 83.33% | 4 | 16.67% | 29 | \$1,695 | 96.38% | \$64 | 3.62% | \$1,758 |
| Totals | 78 | 86.67% | 12 | 13.33% | 90 | \$3,238 | 85.03% | \$570 | 14.97% | \$3,808 |

Source: Sample of 2008-2009 home mortgage, vehicle and small business loans.

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

GPNB’s borrower distribution of home mortgage loans, vehicle loans and small business loans in the AA reflects an overall excellent penetration and exceeds the standard for satisfactory performance.

The bank’s borrower distribution to businesses with revenues of \$1 million or less is excellent. The percentage of bank loans by dollar and number exceeded the percentage of reporting businesses with revenues of \$1 million or less in the AA. However, note that 61.13 percent of the businesses in the AA did not report income data.

| Borrower Distribution of Loans to Businesses in FNB&TC’s AA | | | | |
|--|--------------|--------------|-------------------------|-------|
| Business Revenues (or Sales) | ≤\$1,000,000 | >\$1,000,000 | Unavailable/ Unknown | Total |
| % of AA Businesses | 36.92% | 1.95% | *61.13% | 100% |
| % of Bank Loans in AA by # | 93.10% | 6.90% | 0.00% | 100% |
| % of Bank Loans in AA by \$ | 65.88% | 34.12% | 0.00% | 100% |

Source: Loan sample of 2008-2009 small business loans; Dunn and Bradstreet data.

* 61.13% of the businesses did not report income data.

The bank’s distribution of home mortgage loans is satisfactory. While the percentage of home mortgage loans to low-income and moderate-income borrowers is less than the percentage of low- and moderate-income families in the AA, this performance is not unreasonable in light of the fact that low- to moderate-income families have a more difficult time qualifying for conventional home mortgage products.

Borrower Distribution of Residential Real Estate Loans in FNB&TC’s AA

| Borrower Income Level | Low | | Moderate | | Middle | | Upper | |
|-----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Loan Type | % 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 Mortgage | 21.92% | 8.33% | 18.29% | 8.33% | 22.71% | 25.00% | 37.08% | 58.34% |

Source: Home loan sample 2008-2009; U.S. Census data.

The bank participates in the USDA’s *Rural Housing Direct Loans* program. These loans are available to low- and moderate-income families making less than 100 percent of the areas median family income. Funds can be used to build, repair, renovate or relocate a home, or to purchase and repair sites, including providing water and sewage facilities. The bank has originated 18 loans under this program totaling \$1.7 million during the evaluation period and the program is still active and available to potential low- to moderate-income borrowers.

The distribution of the number of vehicle loans to low-income borrowers exceeds the percentage of low-income households in the AA. The distribution by dollar amount is near to the percentage of low-income households in the AA. The distribution of vehicle loans both by number and dollar amount to moderate-income borrowers is near to the percentage of moderate-income households in the AA for an overall excellent performance.

| Borrower Distribution of Vehicle Loans in GPNB’s AA | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Borrower Income Level | LOW | | MODERATE | | MIDDLE | | UPPER | |
| % of AA Households ² | 25.87% | | 16.24% | | 18.80% | | 39.09% | |
| Vehicle Loans | % of Number | % of Amount |
| Totals | 31.03% | 24.11% | 13.80% | 15.42% | 24.14% | 31.94% | 31.03% | 28.53% |

Source: Loan sample of 2008- 2009 vehicle loans.

Geographic Distribution of Loans

Because the bank does not have any low- and moderate-income census tracts within the AA, an analysis of the geographic distribution of loans was not performed.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test is rated **“Outstanding.”**

Qualified Community Development Lending, Investments, and Services

Opportunities for qualified community development loans and investments are limited in the bank's AA. A majority of the AA is comprised of rural, high poverty, low-density areas. The largest city in the AA is Elk City, which has a population of less than 10,000. Currently, there are no major community development projects underway in the bank's AA.

GPNB 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. The bank has made several community development loans and investments that provide medical services to low- and moderate-income families and provide infrastructure to areas designated as distressed or underserved. The bank's community development activities address many of the critical community needs of the bank's AA.

Community Development Loans

Qualifying community development loans are those that meet the definition of community development, as defined in the CRA regulation. The bank's community development loans target job creation, health care, and infrastructure, all of which have been identified as critical needs in the area.

GPNB extended a \$1.7 million loan on December 31, 2007 to a local dairy for operating expenses. Local investors started this business to create needed jobs for local low- to moderate-income workers, as well as, to improve the local economy.

The bank originated a \$1.2 million loan on January 27, 2009 to a local county hospital for expansion purposes. These funds help provide health care services to high poverty, low density rural areas in southwestern Oklahoma. This expansion will also create jobs. This county hospital provides care even for those who are unable to pay.

The bank renewed a loan for \$1.7 million in May 2009 that was originated in 2002 for the construction of a hotel. This project created low- to moderate-income jobs for people in the bank's AA.

GPNB extended two loans totaling \$75 thousand to the Hobart Public Works Authority, a non-profit agency, to buy trucks and equipment to meet critical infrastructure needs for the city of Hobart, a community located in a distressed and underserved area. The bank also extended funds of \$345 thousand to the Harmon County Economic Development Authority, a trust created to finance, operate, construct, and administer any public works, improvements, or facilities for public purposes. All census tracts in Harmon County are designated as distressed and underserved middle-income tracts. The funds financed the construction of a County Health Department.

Qualified Investments

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

During the evaluation period, the bank purchased four General Obligation school bonds totaling \$1.8 million to purchase transportation equipment, to construct, equip and furnish school buildings, to include new insulation and new central heating and air. These bonds fund critical needs for schools located in distressed and underserved areas. The bank also made numerous qualified donations totaling \$118 thousand in GPNB's AA. The bulk of the donations are to local hospitals and clinics. Other donations are to local non-profits that support community services that target low- and moderate-income families and individuals and economic and small business development.

Community Development Services

The level of qualified community development services is satisfactory. 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. The following are examples of qualifying community development services.

- ***Elk City Chamber of Commerce/Burns Flat Chamber of Commerce/Hollis Chamber of Commerce/Sayre Chamber of Commerce/Mangum Chamber of Commerce/Harmon County Economic Development/Hobart Chamber of Commerce***
Bank officers serve on the Board and hold several positions in their respective Chambers of Commerce. All of the Chambers are focused on economic and community development.
- ***United Way***
Bank officers serve on the Board and Appropriations Committee of this organization. United Way member agencies provide a variety of social services to low- and moderate-income families in the bank's AA.

- ***Westview Boys Home***

This non-profit organization helps at risk youth without a home by ministering to the physical and spiritual needs of the underprivileged, delinquent, and neglected children by providing quality, Christian residential care. A bank officer serves as Treasurer for this organization.

Responsiveness to Community Development Needs

There have been no consumer complaints relevant to the bank's Community Reinvestment Act performance during the evaluation period.

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.