



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 13, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The First National Bank and Trust Company of Miami
Charter Number 5252**

**2 N. Main Street
Miami, OK 74354**

**Comptroller of the Currency
Midwestern District
Kansas City South Field Office
1710 E. 32nd Street, Suite H
Joplin, MO 64804**

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 First National Bank and Trust Company of Miami (FNBTC) is helping to meet the credit needs of its assessment area.

- The bank's loans are reasonably distributed among borrowers of various income levels and businesses of various sizes.
- The bank's loan to deposit ratio is satisfactory based on its competitive environment and the opportunities for loan growth within the assessment area. The loan-to-deposit ratio has averaged 66.89% since the last Performance Evaluation (November 1997).
- The bank has a satisfactory record of lending within the assessment area. Approximately 82% (number) of all loans sampled were dispersed to borrowers located within the bank's assessment area.
- The bank has received no consumer complaints.

DESCRIPTION OF INSTITUTION

The First National Bank and Trust Company of Miami, Oklahoma is a \$102.7 million dollar bank located in Miami, the county seat of Ottawa County, Oklahoma. The bank is 97.7% owned by First Miami Bancshares, Inc., which has total assets, as of September 30, 2001, of \$92.3 million dollars. The bank is the sole asset of the holding company. The bank's holding company, main office, branches, and ATMs are located in Miami, Oklahoma.

The bank offers a full range of traditional banking products and services to the local community. As of September 30, 2001, net loans represented 57.5% of the bank's total assets. Based on the volume of loans originated during the evaluation period of December 1, 1997 to September 30, 2001 (by loan category), the bank has three primary loan products. These are commercial loans, 1-4 family residential real estate, and consumer loans. The loan portfolio composition is illustrated in the table below. The information does not include loans paid in this period, since data was not readily available from the bank.

Loan Portfolio Breakdown as of September 30, 2001				
Loan Type	Number of Loans	Percent	Dollar Amount (000)	Percent
Construction & Development	10	.3%	492	.8%
Farmland	82	2.6%	7,591	12.2%
1-4 Family Residential	517	16.6%	14,855	23.8%
Commercial	319	10.2%	21,494	34.4%
Agriculture Production	173	5.6%	4,802	7.7%
Consumer	2016	64.6%	12,456	20.0%
Other Loans and Leases	4	.1%	726	1.1%
Total	3121	100.0%	62,416	100.0%

There are no legal or financial circumstances that impede the bank's ability to help meet the credit needs of its assessment area. The bank was rated Satisfactory at its last CRA examination, which was conducted on November 26, 1997.

DESCRIPTION OF OTTAWA COUNTY, OKLAHOMA

FNBTC's assessment area (AA) consists of Ottawa County, Oklahoma. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income geographies. The AA is not located in a Metropolitan Statistical Area and contains two moderate-income (22%) and seven middle-income (78%) Block Numbering Areas.

Ottawa County is experiencing slow growth and development. The Miami Chamber of Commerce estimated the population of the county in 2000 to be 33,194, and the population of Miami at 13,704. For the county, this represents an 8.6% growth rate as measured against the population in 1990.

The weighted average of the stated non-MSA statewide median family income was updated to \$34,000 in 2001. The median value of housing is \$30,405 and 63.74% is owner-occupied. The 1990 census indicates that 21.35% of the households were below the poverty level. While there are no low-income tracts in the AA, low and moderate families represent 21.93% and 21.12%, respectively, of the AA's population. Middle and upper-income families represent 23.75% and 33.2%, respectively.

The county's major employers include manufacturing (24%), retail (25.7%) and service industries (31.4%). The remaining employers are government, construction, and farming. Unemployment rates are slowly increasing in response to the slowing economy. The unemployment rate for Ottawa County is 6.9% for October 2001 compared to 6.1% for 2000 and 5.4% for 1999.

The First National Bank and Trust Company of Miami faces increasing competition from other financial institutions. A new branch for the Bank of Welch is under construction, and the newly completed Wal-Mart Super Center is offering financial services through a branch of City National Bank of Lawton, Oklahoma. Four institutions in Ottawa County have assets ranging from \$87 million to \$2.7 billion. Two of the bank's competitors are branches of larger financial institutions from Oklahoma and Arkansas. Additionally, financial institutions located in surrounding communities aggressively compete for loans and deposits.

During the evaluation, we made one community contact with a community based development corporation. We reviewed reports from two previous contacts in AA made by regulators. According to the community contact, the area's primary need is affordable housing. While financing is available, housing availability is limited. Developers construct houses priced in the \$65,000 to \$120,000 range with the emphasis on the higher priced units, making it difficult for low and moderate-income residents to obtain housing. Due to topographical restrictions such as mining and flood prone areas, suitable land for development is difficult to obtain. The contact stated financial institutions are very helpful in meeting the credit needs of the community. Opportunities for community development activities are limited in the AA.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

The evaluation of FNBTC's lending performance is based upon a sample of loans taken from the commercial, 1-4 family residential real estate, and consumer loan populations. The loan samples included loans originated since December 1, 1997 and consists of 23 commercial, 26 residential real estate, and 24 consumer loans.

Loan-to-Deposit Ratio

The bank's loan-to-deposit ratio is satisfactory. FNBTC's quarterly average loan-to-deposit ratio since the last public CRA evaluation is 66.89%. We compared three banks operating in Ottawa County, which were similar in size and product offering as the bank. The quarterly average loan-to-deposit ratios ranged from 55% to 74%. The overall average loan-to-deposit ratio of these banks was 62%.

Lending in Assessment Area

The bank's record of lending to borrowers within its AA is satisfactory. Based on a sample of 1-4 family residential real estate loans, consumer loans, and commercial loans, the majority of loans are originated within the assessment area. Our analysis focused on these primary loan products originated since 1997. In the real estate category, we used the product group rather than purpose because purpose data was unavailable. Commercial loans represent the largest dollar amount of loans, with 1-4 family residential real estate loans represent the second largest dollar amount in the loan portfolio. Consumer loans represented the largest number of loans in the loan portfolio.

The distribution of credit is detailed below:

Comparison of Credit Extensions by Type						
	1-4 Family Residential		Commercial		Consumer	
	% by #	% by \$	% by #	% by \$	% by #	% by \$
In assessment area	76.9%	81.5%	87%	79.0%	83.3%	88.9%
Out of assessment area	23.1%	18.5%	13%	21.0%	16.7%	11.1%

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

The bank's lending to borrowers of different income levels and businesses of different sizes is satisfactory. Of the bank's primary products, we reviewed a random sample of twenty residential real estate, consumer, and commercial loans originated and purchased since 1997. Commercial loans to small businesses are comparable to demographics by both number and dollars.

The following table summarizes the bank's commercial loan performance compared to the percentage of business in this AA.

Commercial Loans			
	% of number	% of dollars	% of AA business
Annual gross revenues < \$1 million	85%	82.4%	87.10%
Annual gross revenues > \$1 million	15%	17.6%	5.81%
Revenue not reported	0%	0%	7.09%

The percentage of residential real estate loans to the moderate-income group is low. This is mitigated by the low availability of housing. The bank offers a variety of fixed rate residential loans through secondary market products with little or no money down enabling low- and moderate-income borrowers to obtain housing. The bank was instrumental in founding and establishing HOME, an organization to help increase affordable homes for low- to moderate-income families. HOME has purchased homes to renovate and sell to low-income families.

The distribution of residential loans sampled is listed below:

Lending Activity by Borrower Income Level			
Income Level	% of Families in Income Category	1-4 Family Residential	
		% by Number	% by Dollar
Low	21.93%	20%	11.0%
Moderate	21.12%	10%	5.9%
Middle	23.75%	25%	40.1%
Upper	33.20%	45%	43.0%

The bank's lending activity to low-income consumer borrowers is reasonable, even though it is below the categories by dollar and by number of loans. This income group typically does not borrow large amounts of money. Income levels in 21.35% of the households within the AA are below poverty levels which may be unable to qualify for credit.

The distribution of consumer loans sampled is listed below:

Lending Activity by Borrower Income Level			
Income Level	% of Households in Income Category	Consumer	
		% by Number	% by Dollar
Low	26.8%	15%	9.2%
Moderate	18.1%	30%	30.0%
Middle	18.8%	20%	30.9%
Upper	36.3%	35%	29.9%

Geographic Distribution of Loans

The bank's AA contains two moderate-income and seven middle-income tracts. FNBTC's geographic distribution of credit within the AA is satisfactory with loan originations reasonably penetrating all parts of the AA. The volume of consumer lending is reasonable by volume and dollar. The volume of residential lending in moderate-income areas is low. However, it is not unreasonable, because the bank offers a variety of fixed rate loan products sold through a secondary market program, with little or no money down enabling low- and moderate-income borrowers to obtain housing. Although our sample reflects the bank's business lending activity in moderate-income areas is low, it is not unreasonable. The community's industrial parks are located in middle-income tracts readily accessible to all income groups. Of the two moderate tracts, one is a small area located north of Miami served by other financial institutions.

The table below summarizes the bank's performance in the AA.

Geographic Distribution of Loan Sample									
Census Tract Designation	Consumer			1-4 family residential			Commercial		
	% of Households in AA	% by number	% by dollar	% of owner occupied homes in AA	% by number	% by dollar	% of biz by tract	% by number	% by dollar
Moderate	19.8%	15%	11.7%	17.2%	5%	4.2%	41.7%	15.0%	9.1%
Middle	80.2%	85%	88.3%	82.8%	95%	95.8%	58.3%	85.0%	90.9%

Responses to Complaints

FNBTC has not received any written complaints regarding its CRA performance since the last Public Evaluation in 1997.

Fair Lending Review

An analysis of three years' public comments, consumer complaint information, and small business data was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided 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 1997.