



SMALL BANK

Comptroller of the Currency
Administrator of National Banks
Washington, DC 20219

PUBLIC DISCLOSURE

July 16, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

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

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

**Comptroller of the Currency
Kansas City South Field Office
1710 East 32nd Street Fountainside Plaza, Suite H
Joplin, Missouri 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 is helping meet the community 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 the competitive environment and the opportunities for loan growth within the assessment area.
- The bank has a satisfactory record of lending within the assessment area.
- The bank has received no consumer complaints concerning its performance in meeting the community's credit needs.

SCOPE OF EXAMINATION

Our objectives were to assess the bank's ability to serve and meet the community's needs within its assessment area. The bank remains intrastate with no branches outside of Oklahoma and is not located in a metropolitan statistical area (MSA). We used loan originations ranging from January 1, 2002 to March 31, 2007, in our evaluation. We identified the bank's primary products as 1-4 family residential real estate and consumer loans by the number of loans originated and commercial loans by dollar amount of loans originated. We reviewed a random loan sample of 31 1-4 family residential real estate, 28 consumer, and 30 commercial credit files.

DESCRIPTION OF INSTITUTION

The First National Bank and Trust Company of Miami (FNBT) is a \$116.9 million financial institution located in Miami, Oklahoma, which is the county seat of Ottawa County. The bank has a main office, a branch, a motor bank and four automated teller machines located in Miami, Oklahoma. The bank offers residential, commercial, consumer, and agricultural loans, along with a variety of deposit accounts.

The bank is solely owned by the holding company First Miami Bancshares, Inc., which is located in Miami, Oklahoma. The bank offers a full range of traditional banking products and services to the local community. As of March 31, 2007, bank management reported total loans of \$82.2 million, total deposits of \$103.6 million, and total equity capital of \$9.8 million. Loan originations since the last CRA examination reflect 1-4 family residential, commercial, and consumer loans as primary products as illustrated in the following table.

Loan Originations from January 2002 to March 2007				
Loan Type	Number of Loans	Percentage	Dollar Amount (000)	Percentage
Construction & Development	24	1.3%	2,926	2.6%
Farmland and Agriculture Related	272	14.3%	20,228	18.0%
1-4 Family Residential	448	24.5%	25,850	22.9%
Commercial	246	13.4%	31,088	27.5%
Commercial Real Estate	161	8.8%	26,388	23.4%
Consumer	672	36.7%	5,486	4.9%
Other Loans and Leases	4	0.2%	915	0.8%
Total	1,827	100.0%	112,881	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 received a "Satisfactory" rating at its last CRA evaluation in December 2001.

The bank is not required to file Home Mortgage Disclosure information. Please refer to the bank's Public File for more details.

DESCRIPTION OF ASSESSMENT AREA

FNBT's assessment area (AA) consists of Ottawa County, Oklahoma. The AA is not located in a MSA and contains two moderate-income and seven middle-income census tracts.

The weighted average of HUD MSA Median Family Income was updated to \$42,600 in 2006. The median value of housing is \$52,483, and 65 percent is owner-occupied. The 2006 census indicates that 16 percent of the households were below poverty level. While there are no low income tracts located in the AA, low and moderate income families represent 21.23 percent and 20.78, respectively, of the AA's population. Middle- and upper-income families represent 23.89 percent and 34.10 percent, respectively.

The county's major employers include construction, retail trade, service industries, farming, manufacturing, and finance industries. From the Department of Labor statistics, the unemployment rate for the county has displayed an improving trend since 2002 and is close to the performance of the past two years at 5.1 percent. Despite the improving trend, the Ottawa county unemployment continues to outpace the neighboring counties of Craig (5 percent) and Delaware (4.8 percent).

FNBT faces increasing competition from other financial institutions. Eight institutions located within the Ottawa County AA range in asset size from \$6.8 million to \$226 million. Financial institutions located in the surrounding communities aggressively compete for loans and deposits.

During the evaluation, we made one community contact with a community based economic development company. According to the contact, the area's primary need is affordable housing. The bank has been instrumental in founding and establishing HOME (Home Ownership in Miami for Everyone), an organization created to help increase the number of affordable homes for low- to moderate-income families and to clean up dilapidated housing in Miami. HOME has purchased several homes to renovate and sell to low-income families. Ottawa County has been affected by recent flooding in several locales. The contact stated the financial institution has been very active in helping the community. The bank has offered to provide low interest loan products for flood victims. In addition, the contact stated the bank is very involved in civic organizations in the community. Bank employees serve on various community boards, sponsor local sporting functions, and provide subsidized rents to small business occupants in its building.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

FNBT’s loan-to-deposit ratio reflects good responsiveness to the credit needs of its community. The bank’s quarterly average loan-to-deposit ratio since the last CRA evaluation is 67.77 percent. The average loan-to-deposit ratios for banks similarly situated in the AA range from 45.16 percent to 101.64 percent.

Lending in Assessment Area

The bank’s record for lending to borrowers within its AA is satisfactory. The majority of the loans the bank originated were in its AA. For loans evaluated from 2002-2007, management originated 83 percent by number and 94 percent by dollar within its AA.

The distribution of credit is detailed as follows:

Lending in Ottawa County								
	Number of Loans				Dollars of Loans (000s)			
	Inside		Outside		Inside		Outside	
	#	%	#	%	\$	%	\$	%
Totals	74	83.2%	15	16.8%	\$3,649	94.4%	\$810	5.6%

Source: Loan sample and bank generated reports.

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

The bank has displayed satisfactory performance toward meeting the lending needs for consumers and small businesses by lending to borrowers of different incomes and to businesses of different sizes.

FNBT’s commercial lending was responsive to the community’s credit needs and is comparable to demographic data for the AA. The following table summarizes the bank’s commercial loan performance compared to the percentage of businesses.

Borrower Distribution of Loans to Businesses in Ottawa County				
Business Revenues	< \$1 million	> \$1 million	Unavailable / Unknowns	Total
% of AA Businesses	48.0%	3.8%	48.2%	100%
% of Bank Loans in AA by #	40.0%	20.0%	40.0%	100%
% of Bank Loans in AA by \$	3.1%	94.9%	2.0%	100%

Source: Loan sample and 2006 business Geo-Demographic data and bank generated reports.

Residential real estate lending to borrowers of different income levels is acceptable. The lower percentage of residential real estate loans to the low-income group reflects the low availability of affordable housing and that 13 percent of the families in the AA are below the poverty level. The bank has been active in a variety of programs that offer low-interest loans for housing to low- and moderate-income borrowers. The bank continues to work with the Miami Area Economic Development Service and has been instrumental in establishing the HOME organization to help increase the inventory of affordable housing.

The following table illustrates the bank's distribution of residential real estate loans based on the income level of the borrower.

Borrower Distribution of Residential Real Estate Loans in Ottawa County								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% Number of Loans	% of AA Families	% Number of Loans	% of AA Families	% Number of Loans	% of AA Families	% Number of Loans
1-4 Family	21.2	8.0	20.8	16.0	23.9	20.0	34.1	56.0

Source: 2000 U.S. Census, loan sample, and bank generated reports.

The bank's lending to low- and moderate-income level consumers is satisfactory. The lower percentage of residential real estate loans to the low-income group reflects that 16 percent of the households in the AA are below the poverty level. The personal loan department specializes in small loans for new and used automobiles, the purchase of household items, and personal expenses. In addition, the bank makes appropriate referrals to other institutions.

The following table illustrates the bank's distribution of consumer lending based on the income level of the borrower.

Borrower Distribution of Consumer Loans in Ottawa County								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% 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	23.3	12.5	17.7	25.0	20.6	25.0	38.3	37.5

Source: 2000 U.S. Census, loan sample, and bank generated reports.

Geographic Distribution of Loans

The geographic distribution of credit within the AA is excellent relative to the location of its facilities and exceeds the AA's demographic data. Bank loan originations penetrate all parts of the AA. The bank's geographic distribution does not arbitrarily exclude any moderate-income area, and there are no low-income census tracts in the AA.

The bank's lending activity to businesses located within the moderate-income tract is strong. In this review, over 36 percent of the loans sampled were originated to businesses in moderate-income census tracts. Demographic data indicates that 75 percent of the AA businesses are located in middle-income census tracts. The community's industrial parks are located in middle-income tracts readily accessible to all income groups.

The following table illustrates the bank's geographic distribution of commercial loans compared to the AA demographic data.

Geographic Distribution of Loans to Businesses in Ottawa County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Businesses	% Number of Loans	% of AA Businesses	% Number of Loans	% of AA Businesses	% Number of Loans	% of AA Businesses	% Number of Loans
Commercial Loans	0	0	24.6	36.8	75.4	63.2	0	0

Source: 2000 U.S. Census, loan sample, and bank generated reports.

Residential real estate lending in the moderate-income tract is excellent. Nearly 26 percent of the loans sampled were originated in the moderate-income census tracts. Demographic data indicates 86 percent of the owner occupied housing is located in middle-income census tracts and approximately 12.5 percent of the housing units in the AA are vacant.

The following table illustrates the bank's geographic distribution of residential real estate loans compared to the AA's demographic data.

Geographic Distribution of Residential Real Estate Loans in Ottawa County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Owner Occupied Housing	% Number of Loans	% of AA Owner Occupied Housing	% Number of Loans	% of AA Owner Occupied Housing	% Number of Loans	% of AA Owner Occupied Housing	% Number of Loans
1-4 Family	0	0	13.7	25.9	86.3	74.1	0	0

Source: 2000 U.S. Census, loan sample, and bank generated reports.

FNBT’s volume of consumer lending to moderate-income borrowers is excellent. In this review, over 28 percent of the loans sampled were originated in moderate-income census tracts. Demographic data indicates that 82 percent of the area’s households are located in middle-income census tracts.

The following table illustrates the bank’s geographic distribution of consumer loans compared to the AA’s demographic data.

Geographic Distribution of Consumer Loans in Ottawa County								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% Number of Loans	% of AA Households	% Number of Loans	% of AA Households	% Number of Loans	% of AA Households	% Number of Loans
Consumer Loans	0	0	17.9	28.6	82.1	71.4	0	0

Source: 2000 U.S. Census, loan sample, and bank generated reports.

Responses to Complaints

FNBT did not receive any written complaints regarding its CRA performance during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

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