



## **PUBLIC DISCLOSURE**

June 1, 2023

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

The First National Bank of Hooker  
Charter Number 10566

119 North Broadway Street  
Hooker, OK 73945

Office of the Comptroller of the Currency  
Oklahoma City Office  
Harvey Parkway Building, Suite 490  
301 NW 63rd Street  
Oklahoma City, Oklahoma 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, and should not 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.

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## Overall CRA Rating

**Institution's CRA Rating:** This institution is rated **Satisfactory**.

**The Lending Test is rated: Outstanding**

The major factors that support this rating include:

- The bank's loan-to-deposit ratio is reasonable and meets the standard for satisfactory performance.
- A majority of the loans sampled were originated or purchased within the bank's assessment area.
- The borrower distribution of loans reflects excellent penetration among consumers and business operations of different sizes and exceeds the standard for satisfactory performance.

## Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA, the bank's loan-to-deposit (LTD) ratio is reasonable.

The First National Bank of Hooker's (FNBH or bank) quarterly LTD ratio since the previous CRA Performance Evaluation (PE) has averaged 70.11 percent. The bank's LTD on June 30, 2022 was 62.70 percent. We compared the bank's LTD to five banks similarly situated in the surrounding area. The aggregate average LTD ratio for the competing banks was 74.69 percent, with a low average of 58.70 percent and a high average of 85.42 percent.

Loan-to-Deposit Ratio		
Institution	Total Assets \$000's (As of 12/31/22)	Average LTD Ratio
<b>The First National Bank of Hooker</b>	<b>\$98,100</b>	<b>70.11%</b>
Anchor D Bank	\$318,746	72.60%
Bank of The Panhandle	\$219,074	76.80%
The Bank of Beaver City	\$157,492	58.70%
The First Security Bank	\$135,914	79.95%
The First State Bank	\$105,597	85.42%

*Source: Call Report data from June 30, 2018 to December 31, 2022.*

## Lending in Assessment Area

A majority of the bank's loans were originated inside its assessment area (AA).

FNBH originated or purchased 78 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. FNB's lending in their AA meets the standard for satisfactory performance. A majority of the number and the dollar amount of small business and consumer loans were originated in the bank's AA. This conclusion is based on a random sample of 34 commercial loans and 30 consumer loans that were originated from 2019 to 2021. The following table depicts FNBH's lending in their AA during the evaluation period.

<b>Lending Inside and Outside of the Assessment Area</b>										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Commercial	23	68	11	32	34	1,685	78	474	22	2,159
Consumer	27	90	3	10	30	258	84	50	16	308
Total	50	78	14	22	64	1943	79	524	21	2,467

## Description of Institution

The First National Bank of Hooker is located in Hooker, Oklahoma, which is near the center of the Oklahoma panhandle. The bank is a wholly owned subsidiary of Hooker National Bancshares, Inc., a one-bank holding company located in Hooker, Oklahoma. The bank reported total assets of \$98.1 million as December 31, 2022.

FNBH provides traditional banking services including a variety of traditional loan and deposit accounts. No branches have been opened or closed since the last CRA examination. Bank lobby and drive-through services are provided Monday through Friday at the bank's only location in Hooker, Oklahoma. The bank provides access to banking services through its website and its mobile banking app for iPhone and Android.

As of December 31, 2022, net loans totaled \$53.9 million and represented 55 percent total assets and 63 percent of total deposits. The following chart details a breakdown of the bank's most recent year-end loan portfolio.

<b>Loan Portfolio Composition as of December 31, 2022</b>		
<b>Loan Category</b>	<b>\$(000)</b>	<b>%</b>
Real Estate	\$40,471	74.06%
Commercial	\$8,999	16.47%
Individual	\$2,309	4.23%
Agricultural	\$1,329	2.43%
Other	\$1,539	2.81%
<b>Total</b>	<b>\$54,647</b>	<b>100.00%</b>

Source: 12/31/22 Call Report Schedule RC-C

There are no known legal, financial, or other factors impeding management's ability to help meet the credit needs of the designated AA. The bank received an overall rating of "Satisfactory" at the last evaluation dated June 11, 2018.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Examiners completed a full-scope review of FNBH's CRA activities in its AA under the Small Bank CRA procedures. This includes the Lending Test which evaluates the bank's record of meeting the credit needs of the AA through its lending activities. Conclusions regarding the Lending Test are based on a sample of

34 commercial loans and 30 consumer loans. The evaluation period of loans is January 1, 2019 through December 31, 2021. Both loan categories were weighted equally in evaluating performance.

The AA has no low- or moderate-income census tracts and therefore a geographical distribution of loans was not performed.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to Appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

### **Ratings**

The bank’s overall rating is the same as the state rating. Multistate and MMSA ratings are not applicable.

### **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national banks or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

## State Rating

### State of Oklahoma

**CRA rating for the State of Oklahoma: Satisfactory**

**The Lending Test is rated: Outstanding**

The major factors that support this rating include:

- The borrower distribution of loans reflects excellent penetration among consumers and business operations of different sizes and exceeds the standard for satisfactory performance.

### Description of Institution's Operations in Oklahoma

FNBH operates one location in their AA in the state of Oklahoma. The AA consists of eight Census Tracts (CTs) in Texas County and Beaver County. There are five CTs in Texas County, all categorized as middle-income. Beaver County has three CTs with two categorized as middle-income and one upper-income. There are no low- or moderate-income CTs in the AA. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies.

### Beaver and Texas Counties (FNB Hooker AA)

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNB Hooker 2023 AA 2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	8	0.0	0.0	87.5	12.5	0.0
Population by Geography	27,118	0.0	0.0	95.1	4.9	0.0
Housing Units by Geography	10,844	0.0	0.0	93.2	6.8	0.0
Owner-Occupied Units by Geography	6,048	0.0	0.0	92.9	7.1	0.0
Occupied Rental Units by Geography	3,142	0.0	0.0	96.9	3.1	0.0
Vacant Units by Geography	1,654	0.0	0.0	87.2	12.8	0.0
Businesses by Geography	1,355	0.0	0.0	93.4	6.6	0.0
Farms by Geography	209	0.0	0.0	89.5	10.5	0.0
Family Distribution by Income Level	6,563	17.0	19.5	18.8	44.7	0.0
Household Distribution by Income Level	9,190	17.5	14.9	16.9	50.8	0.0
Median Family Income Non-MSAs – OK		\$51,491	Median Housing Value			\$94,150
			Median Gross Rent			\$694
			Families Below Poverty Level			8.6%
Source: 2015 ACS and 2020 D&B Data						
Due to rounding, totals may not equal 100.0%						
(*) The NA category consists of geographies that have not been assigned an income classification.						

In conjunction with this CRA examination, we interviewed one community contact to gain a better understanding of the credit needs in the area as well as local economic conditions. The organization has a focus of economic development and serves northwest Oklahoma, including the panhandle. The contact stated the local economy is stable and the general credit need is for low-income lending. The contact indicated that the local financial insituation is actively involved and meeting the credit needs of the community.

## **Scope of Evaluation in Oklahoma**

FNBH has only one AA which consists of eight CTs in Texas County and Beaver County in the state of Oklahoma. The bank is located in Texas County. The AA received a full-scope review. There are no limited-scope area reviews.

## **LENDING TEST**

The bank's performance under the Lending Test in Oklahoma is rated Outstanding.

## **Conclusions for Area Receiving Full-Scope Review**

Based on a full-scope review, the bank's performance in the FNB Hooker AA is excellent.

## **Distribution of Loans by Income Level of the Geography**

An analysis of the geographic distribution of loans sampled would not be meaningful since there are no low- or moderate-income CTs in the bank's AA.

## **Distribution of Loans by Income Level of the Borrower**

The bank exhibits an excellent distribution of loans to individuals of different income levels and businesses of different sizes and exceeds the standard for satisfactory performance.

### ***Small Loans to Businesses***

Refer to Table R in the state of Oklahoma section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

During the evaluation period, the bank's distribution of small loans to businesses by revenue is excellent. The bank's percentage of loans to businesses with revenues less than \$1 million exceeded both the proportion of small businesses and the aggregate distribution of loans to those businesses.

### ***Consumer Loans***

Refer to Table V in the state of Oklahoma section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

During the evaluation period, the distribution of consumer loans to low- and moderate-income borrowers is good. The number of consumer loans extended to low-income borrowers is near to the percentage of

low-income households and bank lending to moderate-income borrowers exceeds the percentage of moderate-income households in the AA.

### **Responses to Complaints**

There have been no consumer complaints pertaining to FNBH's CRA performance during this evaluation period.



# Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

<b>Time Period Reviewed:</b>	01/01/19-12/31/21	
<b>Bank Products Reviewed:</b>	Consumer and Commercial loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N/A	N/A	N/A
<b>List of Assessment Areas and Type of Examination</b>		
<b>Rating and Assessment Areas</b>	<b>Type of Exam</b>	<b>Other Information</b>
<b>MMSA(s)</b>		
None	N/A	N/A
<b>States</b>		
Oklahoma	Full-Scope	Consumer and Commercial

## Appendix B: Summary of MMSA and State Ratings

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RATINGS: The First National Bank of Hooker	
Overall Bank:	Lending Test Rating
FNBH	Satisfactory
MMSA or State:	
Oklahoma	Satisfactory

## Appendix C: Definitions and Common Abbreviations

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The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending (Aggt.):** The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Census Tract (CT):** A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

**Combined Statistical Area (CSA):** A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

**Community Development (CD):** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

**Home Mortgage Loans:** A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

**Limited-Scope Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income Individual:** Individual income that is less than 50 percent of the area median income.

**Low-Income Geography:** A census tract with a median family income that is less than 50 percent.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

**Metropolitan Statistical Area:** An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rating Area:** A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier 1 Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

**Upper-Income:** Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

**Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue**  
- Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

**Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower**  
- Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

<b>Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues</b>											<b>2019-21</b>
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
FNB Hooker	23	474	100	478	75.4	95	67.6	6.4	0	18.2	5
<b>Total</b>	<b>23</b>	<b>474</b>	<b>100</b>	<b>478</b>	<b>75.4</b>	<b>95</b>	<b>67.6</b>	<b>6.4</b>	<b>0</b>	<b>18.2</b>	<b>5</b>
<i>Source: 2020 D&amp;B Data; 01/01/2019 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.            Due to rounding, totals may not equal 100.0%</i>											

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.



<b>Table V - Assessment Area Distribution of Consumer Loans by Income Category of the Borrower</b>													<b>2019-21</b>	
<b>Assessment Area:</b>	<b>Total Consumer Loans</b>			<b>Low-Income Borrowers</b>		<b>Moderate-Income Borrowers</b>		<b>Middle-Income Borrowers</b>		<b>Upper-Income Borrowers</b>		<b>Not Available-Income Borrowers</b>		
	<b>#</b>	<b>\$</b>	<b>% of Total</b>	<b>% of Households</b>	<b>% Bank Loans</b>	<b>% of Households</b>	<b>% Bank Loans</b>	<b>% of Households</b>	<b>% Bank Loans</b>	<b>% of Households</b>	<b>% Bank Loans</b>	<b>% of Households</b>	<b>% Bank Loans</b>	
FNB Hooker	27	258	100	17.5	14.8	14.9	22.2	16.9	29.6	50.8	33.3	0.0	--	
<b>Total</b>	<b>27</b>	<b>258</b>	<b>100</b>	<b>17.5</b>	<b>14.8</b>	<b>14.9</b>	<b>22.2</b>	<b>16.9</b>	<b>29.6</b>	<b>50.8</b>	<b>33.3</b>	<b>0.0</b>	<b>--</b>	
<i>Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data.                      Due to rounding, totals may not equal 100.0%</i>														

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.