



## **PUBLIC DISCLOSURE**

July 11, 2016

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

First Fidelity Bank, National Association  
Charter Number 17045

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Office of the Comptroller of the Currency

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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, 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 following table indicates the performance level of First Fidelity Bank, National Association (FFB) with respect to the Lending, Investment, and Service Tests:

Performance Levels	First Fidelity Bank, National Association Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

\* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- FFB originated a substantial majority of loans inside its assessment areas (AAs).
- The bank’s lending activity is good.
- The geographic distribution of home loans is good and the geographic distribution of small loans to businesses is good.
- The distribution of home mortgage loans by income level of the borrower is adequate.
- The bank’s distribution of loans to businesses with different revenue sizes is adequate.
- Community development (CD) lending had a significantly positive impact on the Lending Test in both the States of Oklahoma and Arizona.
- FFB has an overall adequate level of qualified CD investments.
- Overall, service delivery systems are reasonably accessible to all portions of the AAs. FFB provides a good level of CD services.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** 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 the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity 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 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 do 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**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 MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**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.

**Rated Area:** A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

## Description of Institution

First Fidelity Bank, NA, headquartered in Oklahoma City, Oklahoma, is an interstate bank operating in Oklahoma (OK) and Arizona (AZ) markets. It was established in 1989 after the purchase of the former Commercial National Bank, Oklahoma City. The bank is a wholly owned subsidiary of First Fidelity Bancorp, Inc., a one-bank holding company, that held \$1.5 billion in total assets on March 31, 2016, and is also located in Oklahoma City.

FFB's operating subsidiary, FFB Investments, Inc., is located in Reno, Nevada. This is a corporation established for the primary purpose of holding direct and indirect consumer and commercial paper. The activities of the operating subsidiary do not adversely affect the capacity of FFB to meet the credit needs of its AAs.

In June 2007, prior to the review period, FFB acquired a state bank and branch locations in Phoenix, AZ. In August 2013, during the review period, FFB acquired a second state bank with four branches in the Phoenix/Scottsdale area, and one branch in Nogales, AZ, which is in Santa Cruz County. Two years later in August 2015, the bank closed the Nogales, AZ branch leaving six Arizona branches located in the Phoenix-Mesa-Scottsdale, AZ MSA.

FFB offers a full range of consumer and commercial related financial services, including traditional deposit and lending products, along with mortgage banking, extensive indirect vehicle lending, trust services, and retail non-deposit investment products. In addition, the bank has 29 Automated Teller Machines (ATMs) and offers 24 hour telephone banking, online banking, bill payment services, and mobile/remote deposit for both consumer and business customers, as well as, a number of additional electronic services for commercial customers.

The bank currently operates 29 banking center/branch locations to serve its customers. There are 23 branches in Oklahoma markets, 22 in the Oklahoma City MSA, one in the Tulsa MSA; and six branches in the Phoenix-Mesa-Scottsdale MSA market. The Phoenix and Tulsa markets are all full service locations. Two of the locations in Oklahoma City, including the bank's corporate headquarters at 5101 North Classen, are limited service branches. In May 2014, during the review period, the bank moved its Northwest Expressway Office in Oklahoma City a few blocks further to the west. It closed its branch at 5563 NW Expressway and opened a new office at 6005 NW Expressway, Oklahoma City.

As of March 31, 2015, FFB reported total assets of \$1.5 billion, total loans of \$827 million, and a loan to deposit ratio of 69 percent. Tier 1 capital totaled \$132 million. FFB's business strategy is to focus on small business and consumer lending. The bank offers a diverse choice of loan and deposit products. Loan products include commercial, commercial real estate, consumer (individual) loans, residential real estate loans (both retained and sold to secondary market investors), and credit card loans. The bank's loan portfolio segmentation during the Lending Test review period 2013, 2014, and 2015 is detailed on the next page.

<b>Loan Portfolio Composition (000's)</b>					
<b>Loan Type</b>	<b>\$ Amount 12-31-2013</b>	<b>% Portfolio 12-31-2013</b>	<b>\$ Amount 12-31-2015</b>	<b>% Portfolio 12-31-2015</b>	<b>% Change During Period</b>
<b>Business Loans</b>	421,616	52.20	429,628	52.56	1.90
<b>Residential RE Loans</b>	180,461	22.34	164,501	20.12	-8.84
<b>Loans to Individuals</b>	198,134	24.53	218,821	26.77	10.44
<b>Agricultural Loans</b>	5,178	<1	3,302	<1	-36.23
<b>Other Loans</b>	2,300	<1	1,185	<1	-48.48
<b>Total Gross Loans</b>	<b>\$807,689</b>	<b>100.00</b>	<b>\$817,437</b>	<b>100.00</b>	<b>1.21</b>

FFB's general business strategy is to focus on small business and consumer lending opportunities, although two of the three markets (Oklahoma City MSA & Phoenix MSA) are more strategically driven toward business activity. As noted above, the bank offers a diverse line of deposit and loan products, including commercial, commercial real estate, consumer, residential real estate, and unsecured loans.

There are no significant financial barriers limiting FFB's ability to help meet the identified credit needs of its AAs. The bank is well capitalized and is operating profitably.

A CRA Performance Evaluation, dated September 4, 2012, was previously prepared for FFB and a "Satisfactory" performance rating was assigned. The 2012 CRA rating was assigned under CRA Intermediate Small Bank procedures. This 2016 Performance Evaluation has been conducted using CRA Large Bank procedures.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment, and Service Tests. In evaluating the bank's lending performance, residential mortgage loans subject to filing under the Home Mortgage Disclosure Act (HMDA), small business loans reported on the CRA Small Business Loans Register, and CD loans were reviewed. With the exception of CD loans, the evaluation period for the Lending Test is January 1, 2013, through December 31, 2015. Lending Test data during this period will be compared to US Census 2010 demographics. For the CD lending and the CD Investment and Service Tests, the evaluation period is September 5, 2012, through July 10, 2016. The Investment Test included a review of investments, grants, and donations made in the bank's AAs that meet the definition of CD investments. The Service Test included a review of retail and CD services provided in the bank's AAs.

### Data Integrity

Prior to this CRA examination, in May 2016, we verified the accuracy of data available to the public in accordance with the HMDA and CRA regulations. This public data included home mortgage purchase, refinance, improvement and multi-family loans, and small business loans. We found the data to be accurate and reliable for use in the performance evaluation.

Additionally, during this examination, we verified the accuracy of all CD loans, investments, and services identified by the bank. Only those activities that met CD criteria and were reported on the HMDA or CRA LARs (except multi-family and farm loans) are presented and considered in this evaluation.

### Selection of Areas for Full-Scope Review

In the states of Oklahoma and Arizona, where the bank conducts operations, AAs were selected for full-scope reviews based on their volume of loan and deposit activity. Refer to the "Scope" section under each state rating for details regarding how the areas were selected and why they are representative of the bank's overall performance. All of the AAs and the type of examination (full-scope vs limited-scope) are summarized in Appendix A.

### Ratings

The bank's overall rating is a blend of the state ratings. Performance in the State of Oklahoma received substantially more weight than the State of Arizona in the overall rating.

The bank's lending activity is concentrated in the Oklahoma market, primarily in the Oklahoma City MSA AA. Approximately 74 percent of bank-wide net loans are centered in the Oklahoma portfolio, including 68 percent of net loans that originated in the full-scope Oklahoma City MSA AA, where the bank is headquartered. This compares to 25 percent of bank-wide net loans that originated in the Arizona market, which consists entirely of the full-scope Phoenix MSA AA.

The volume of total deposits in these two full-scope MSA AAs, located in Oklahoma and Arizona, respectively, closely matches the volume of net loans in these AAs, indicating the bank is extending credit proportionately to the deposit bases. However, approximately 72 percent of bank-wide total deposits are

held in Oklahoma City MSA AA branches, while 27 percent of bank-wide total deposits are held in the Phoenix MSA AA branches.

As for loan product analysis, approximately 80 percent of the number of home mortgage loans (HMDA lending) and 80 percent of the dollar volume of HMDA loans extended during the review period were made in the Oklahoma City MSA AA, compared to only 9 percent of the number and 13 percent of the dollar volume of HMDA loans extended in the Phoenix MSA AA. Consequently, the distribution of HMDA lending to low- and moderate-income (LMI) borrowers, and in LMI geographies in the Oklahoma City MSA AA, will receive most of the weight in this product's analysis.

Approximately 62 percent of the number of small business loans made during the review period and 49 percent of the dollar volume of these small business loans were made in the full-scope Oklahoma City MSA AA. This compared to 31 percent of the number and 43 percent of the dollar volume of these small business loans extended in the full-scope Phoenix MSA AA. Consequently, the distribution of small business lending to companies having less than \$1 million in annual revenues in the Oklahoma City MSA AA, or that are located in LMI geographies in the Oklahoma City MSA AA, will receive more weight in this product's analysis.

Nevertheless, small business lending in the Phoenix MSA AA is an important product, especially since 43 percent of the bank-wide loan dollars extended through small business lending during the review period were extended in the Phoenix MSA AA. This level of lending is near to the 49 percent of bank-wide loan dollars extended in the Oklahoma City MSA AA. It indicates that while the weight given small business lending in the Phoenix MSA AA should be less than the weight given the Oklahoma City MSA AA performance, the weight should be almost the same as that given small business lending in the Oklahoma City MSA AA.

The state ratings are based primarily on those areas that received full-scope reviews within each state. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall State rating.

## **Other**

Seven community contacts were made during the evaluation period by the OCC to better understand the public's perception of FFB's and other bank's performance in the noted AAs. The community contacts are designed to determine credit needs and opportunities in the AAs. Contacts were conducted in the Oklahoma City MSA AA with representatives from three community action agencies located in three different towns/counties in the Oklahoma City MSA AA: Oklahoma City, OK, Lindsay, OK, and Chickasha, OK. Four community contacts were also conducted in the Phoenix MSA AA. Discussions were held with representatives from two Economic Development Agencies located in Phoenix, AZ and the City of Mesa, AZ. Community contacts were also made with representatives from one Small Business Development CDFI and one Affordable Housing CDFI, both located in Phoenix, AZ. Refer to the "Scope" section under each state rating for details.

## **Fair Lending or Other Illegal Credit Practices Review**

Pursuant to 12 CFR 25.28(c), or 12 CFR 195.28(c), in determining a national bank's or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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

## State of Oklahoma

### **CRA rating for Oklahoma: Satisfactory**

**The Lending Test is rated: High Satisfactory**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: Low Satisfactory**

The major factors that support this rating include:

- The overall level of lending is good.
- The geographic distribution of home mortgage loans and loans to small businesses is good. The distribution of home purchase loans is adequate, home improvements loans is good, home refinance loans is good, and small business loans is good.
- The distribution of home mortgage loans and loans to small businesses by borrower income is adequate. The distribution of home purchase loans is adequate, home improvement loans is adequate, home refinance loans is adequate, and small business loans is adequate.
- The level of CD lending was excellent and was positively factored into the overall analysis.
- The bank provided an adequate amount of CD investments within the AAs.
- Retail banking services are adequate. CD services were given positive consideration in evaluating the Service Test.

### **Description of Institution's Operations in Oklahoma**

FFB's AAs in the State of Oklahoma include all of the counties in the Oklahoma City MSA and the Tulsa MSA. The Oklahoma City MSA is the only full-scope AA and includes seven counties: Oklahoma, Canadian, Cleveland, Grady, Lincoln, Logan, and McClain County. The largest city in the Oklahoma City MSA AA is Oklahoma City. Twenty-two of the bank's 29 branches, and 24 of its 29 ATMs are located in the Oklahoma City MSA AA. There is one branch and one ATM located in the Tulsa MSA AA. Because of the bank's wide branching network in the Oklahoma City MSA, the loan portfolio is more diversified between retail and commercial loans. The Tulsa MSA AA does not have a retail branch network.

The Oklahoma City MSA AA offices generate about 72 percent of FFB's total deposits and 80 percent of the total number of HMDA-reportable loans and 62 percent of the CRA-reportable small business loans. Competition in FFB's Oklahoma City MSA AA is strong and includes several national and regional banks, such as, Bank of Oklahoma, MidFirst Bank, JPMorgan Chase, BancFirst, Bank of America, and many smaller community banks. FFB's market presence in the Oklahoma City MSA is approximately three percent of the total deposits market share in the MSA.

The Tulsa MSA AA is a limited-scope AA that includes seven counties: Tulsa, Creek, Okmulgee, Osage, Pawnee, Rogers, and Wagner County. Tulsa is the largest city in the Tulsa MSA AA, however, FFB

operates only one branch in this MSA AA. Less than 2 percent of the bank's total deposits are held in this Tulsa branch. The bank has a very small market presence in Tulsa with less than one-tenth of one percent of the Tulsa MSA deposit market share.

Refer to the market profiles for the State of Oklahoma in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

## **Scope of Evaluation in Oklahoma**

### **Oklahoma City MSA AA**

The bank's Oklahoma market area includes all seven counties of the Oklahoma City MSA (Oklahoma, Canadian, Cleveland, Grady, Lincoln, Logan, and McClain counties) and all seven counties of the Tulsa MSA (Tulsa, Creek, Okmulgee, Osage, Pawnee, Rogers, and Wagner counties). Our analysis included full-scope examination procedures for the Oklahoma City MSA AA and a limited-scope review of the Tulsa MSA AA. The ratings for the State of Oklahoma are based upon results of these reviews. Please refer to the table in Appendix A for additional information on the scope of our review.

The bank's lending and deposit activity is concentrated in the Oklahoma market, primarily in the Oklahoma City MSA AA, where FFB is headquartered. Consequently, this MSA AA is designated a full-scope AA, and the Oklahoma ratings will be heavily weighted upon CRA performance in this MSA AA. Approximately 74 percent of bank-wide net loans are centered in the Oklahoma portfolio, including 68 percent of net loans that originated in the Oklahoma City MSA AA. Approximately 72 percent of bank-wide total deposits are held throughout the Oklahoma City MSA AA branches. Twenty-two of the bank's 29 branches are located in the Oklahoma City MSA AA.

Approximately 68 percent of bank-wide net loans originated in the full-scope Oklahoma City MSA AA, while 72 percent of bank-wide total deposits are held in the 6 Oklahoma City MSA AA branches. These similar percentages indicate the bank is extending credit to Oklahoma borrowers proportionately to its Oklahoma customer deposit base.

HMDA lending in the Oklahoma City MSA AA during the review period consisted of 1,306 loans totaling \$141 million compared to 814 CRA small business loans totaling \$102 million. Consequently, HMDA lending will receive the most weight in Oklahoma since it is roughly one and one-half times the number and volume of CRA small business lending. The number of HMDA loans made in this MSA AA during the review period comprised 80 percent of the bank-wide total number of HMDA loans made. The number of CRA small business loans made in this MSA AA during the review period comprised 62 percent of the bank-wide total number of CRA small business loans made.

Community contacts were conducted in the Oklahoma City MSA AA with representatives from three community action agencies (CAA) located in three different towns/counties in the Oklahoma City MSA AA: Oklahoma City, OK/Oklahoma County, Lindsay, OK/McClain County, and Chickasha, OK/Grady County. The contacts indicated there are needs for grants from financial institutions to help cover program expenses and to provide matching funds for incentive programs, such as Individual Deposit Accounts (IDAs) and the CAAs own small business lending programs. They felt there are also opportunities to establish partnerships with banks to provide more affordable housing in the AA, and to provide financial literacy programs, especially homebuyer education.

## **Tulsa MSA AA**

Operations in the Tulsa MSA are marginal and the Tulsa MSA AA will receive only a limited-scope review. Only about 7 percent of bank-wide net loans originated in the Tulsa MSA, and less than 2 percent of total deposits are held in the single Tulsa MSA branch. There were two FFB branches in the Tulsa MSA during much of the three year review period; however, one of the Tulsa offices was closed in November 2014 because the market had not grown as anticipated.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in the Oklahoma City MSA AA is rated "High Satisfactory." Based on the full-scope review, the bank's performance in the Oklahoma City MSA AA is good.

### **Lending Activity**

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity is good within the full-scope AA, considering the competition for reportable home mortgage loans and small loans to businesses.

During the evaluation period, January 1, 2013, through December 31, 2015, for HMDA and small business lending and between September 5, 2012, and July 10, 2016, for CD lending, the bank originated 2,143 home mortgage, small business, and CD loans within the full-scope AA that totaled approximately \$280 million. By number of loans made and reported for the full-scope AA, home mortgage loans accounted for 88 percent of the total home mortgage volume within the combined AAs of this state, small loans to businesses were 92 percent of the total such loans within the combined AAs of this state, and CD loans were 76 percent of total CD loans with the combined AAs of this state.

Market share information for loans and deposits shows that FFB operates in a highly competitive banking environment. Financial institutions whose operations encompass large portions of the country are active within the full-scope AA. Based upon the number of loans, 2014 market share data for home mortgage loans, FFB ranked 13<sup>th</sup> among 267 similarly situated reporting lenders, with a market share of 1.87 percent for home purchase, home improvement, and home refinance mortgage loans, compared to a ranking of 7<sup>th</sup> for core deposit market share with 2.95 percent of the market's deposits.

However, the bank ranked 10<sup>th</sup> among similarly situated lenders for home mortgage loans secured by property located in LMI census tracts (CTs) with a market share of 2.63 percent. The dominant lenders for home mortgage loan products within this AA were Wells Fargo Bank, N.A., Bank of Oklahoma, N.A., BancFirst, First United Bank and Trust Company, and MidFirst Bank. These six lenders achieved a market share of approximately 41 percent in home mortgage loans overall and approximately 41 percent for loans secured by property in LMI CTs.

FFB was not required to and did not include any small loans to businesses information as a part of its 2014 HMDA submission. Therefore, its small business lending data is not included with the 2014 Peer Small

Business Data. However, a review of the 2014 Peer Small Business Data for this AA indicates that the overall dominant small business lenders were American Express, FSB, Chase Bank USA, N.A., Capital One Bank (USA), N.A., BancFirst, and US Bank, N.A., which together achieved a combined market share of 55 percent overall.

As of June 30, 2015, FFB ranked 7<sup>th</sup> among 70 depository institutions with a deposit market share of approximately 2.95 percent for its core branch deposits in this AA, with Bank of Oklahoma, N.A., Bank of America, N.A., MidFirst Bank, and JPMorgan Chase Bank having the largest shares.

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

### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations for purchases, home improvement, and refinances originated during the review period.

The geographic distribution of FFB's home mortgage loans within this AA is good. Geographic distribution for home purchase loans is adequate, for home improvement loans is adequate, and for home refinance loans is good. We placed significant weight on the geographic distribution of home mortgage loan products within the LMI CTs, although there are fewer opportunities to originate home mortgage loans in those geographies.

### ***Home Purchase Loans***

The geographic distribution of the bank's home purchase loans within this AA is adequate. The portion of home purchase loans made by the bank in both the LMI CTs was somewhat lower than the demographic comparator, owner-occupied housing units (OOHUs). This is considered adequate performance for this type of loan. The bank originated 1.35 percent of its home purchase loans in the low-income CTs, respectively, for 2013, 2014, and 2015. However, OOHUs in the low-income CTs represent only 3.19 percent of all OOHUs within this AA for the 2010 Census period. The bank originated 14.64 percent of its home purchase loans in the moderate-income CTs for 2013, 2014, and 2015. OOHUs in the moderate-income CTs represent 18.68 percent of all OOHUs within this AA for the 2010 Census period.

FFB's overall record of home purchase loans by income level of the geography in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share in low-income CTs exceeds its overall market share of home purchase loans in this AA. The bank's market share in moderate-income CTs also exceeds its overall market share of home purchase loans in this AA.

### ***Home Improvement Loans***

The geographic distribution of the bank's home improvement loans within this AA is good. The portion of home improvement loans made by the bank in the low-income CTs exceeds the demographic comparator and home improvement loans in the moderate-income CTs was near to the demographic comparator, OOHUs, indicating good performance for this type of loan. The bank originated 3.94 percent of its home improvement loans in the low-income CTs for 2013, 2014, and 2015. OOHUs in the low-income CTs represent 3.19 percent of all OOHUs within this AA for the 2010 Census period. The bank

originated 15.32 percent of its home improvement loans in the moderate-income CTs for 2013, 2014, and 2015. OOHUs in the moderate-income CTs represent 18.68 percent of all OOHUs within this AA for the 2010 Census period.

FFB's overall record of home improvement loans by income level of the geography in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share in low-income CTs exceeds its overall market share of home improvement loans in this AA. The bank's market share in moderate-income CTs also exceeds its overall market share of home improvement loans in this AA.

### ***Home Refinance Loans***

The geographic distribution of the bank's home refinance loans within this AA is good. The portion of home refinance loans made by the bank in the low-income CTs exceeded the demographic comparator and home refinance loans in the moderate-income CTs was near to the demographic comparator, OOHUs, indicating good performance for this type of loan. The bank originated 3.23 percent of its home refinance loans in the low-income CTs for the review period. OOHUs in the low-income CTs represent only 3.19 percent of all OOHUs within this AA for the 2010 Census period. The bank originated 16.42 percent of its home refinance loans in the moderate-income CTs for 2013, 2014, and 2015. OOHUs in the moderate-income CTs represent 18.68 percent of all OOHUs within this AA for the 2010 Census period.

FFB's overall record of home refinance loans by income level of the geography in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share in low-income CTs exceeds its overall market share of home refinance loans in this AA. The bank's market share in moderate-income CTs also exceeds its overall market share of home refinance loans in this AA.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of the bank's small loans to businesses within this AA is good. The portion of small loans to businesses made by the bank in the low-income CTs is near to the demographic comparator and loans to businesses in moderate-income CTs exceeded the demographic comparator, the percentages of businesses within these tracts, indicating good performance for this type of loan. The bank originated 4.55 percent of its small loans to businesses in the low-income CTs for 2013, 2014, and 2015, respectively. Businesses in the low-income CTs represent 5.34 percent of all businesses within this AA for the 2010 Census period. The bank originated 20.39 percent of its small loans to businesses in the moderate-income CTs for 2013, 2014, and 2015. Businesses in the moderate-income CTs represent 19.87 percent of all businesses within this AA for the 2010 Census period.

FFB was not required to and did not include any small loans to businesses information as a part of its 2014 HMDA submission. Therefore, its small business lending data is not included with the 2014 Peer Small Business Data. However, a review of the 2014 Peer Small Business Data for this AA indicates that the dominant small business lenders were American Express, FSB, Chase Bank USA, N.A., Capital One Bank (USA), N.A., BancFirst, and Synchrony Bank, which together achieved a combined market share of 51 percent overall.

### ***Lending Gap Analysis***

We analyzed FFB's lending distribution within the Oklahoma City MSA AA to determine if any unexplained conspicuous gaps existed in the bank's home mortgage loan and small business loan activity. We did not identify any unexplained conspicuous gaps in lending.

### ***Inside/Outside Ratio***

A substantial majority of the home mortgage loans, loans to small businesses, and CD loans originated by the bank over the evaluation period were within the combined AAs. Approximately 97 percent of the bank's home mortgage loans, 98 percent of the small business, and 100 percent of CD loans were within the bank's combined AAs. This performance was positively factored into the overall analysis.

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

The overall borrower distribution of the bank's lending activity within this AA is adequate. In making this determination we gave the most weight to the bank's performance in its highest volume products, home mortgage loans for purchases, home improvement, and refinances and small loans to businesses.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

The overall distribution of home mortgage loans to borrowers of different income levels within this AA is adequate. Borrower distribution for home purchase loans is adequate, for home improvement loans is adequate, and for home refinance loans is adequate.

### ***Home Purchase Loans***

The overall distribution of home purchase loans to borrowers with different income levels within this AA is adequate. The portion of home purchase loans to low-income borrowers was significantly lower than the percentage of low-income families, 5.72 percent for 2013, 2014 and 2015, compared to 21.31 percent for the 2010 Census period, which is very poor. However, the portion of home purchase loans made to moderate-income borrowers exceeded the percentage of moderate-income families, 17.91 percent for 2013, 2014, and 2015, compared to 17.75 percent for the 2010 Census period, which is excellent.

FFB's overall record of home purchase loans by borrower income level in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share to low-income borrowers is lower than its overall market share of home purchase loans in this AA. However, the bank's market share to moderate-income borrowers is near to its overall market share of home purchase loans in this AA.

### ***Home Improvement Loans***

The overall distribution of home improvement loans to borrowers with different income levels within this AA is adequate. The portion of home improvement loans to low-income borrowers was somewhat lower than the percentage of low-income families, 11.58 percent for 2013, 2014 and 2015, compared to 21.31

percent for the 2010 Census period which is adequate. The portion of home improvement loans made to moderate-income borrowers was near to the percentage of moderate-income families, 17.59 percent for 2013, 2014, and 2015, compared to 17.75 percent for the 2010 Census period which is good.

FFB's overall record of home improvement loans by borrower income level in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share to low-income borrowers exceeds its overall market share of home improvement loans in this AA. The bank's market share to moderate-income borrowers is near to its overall market share of home improvement loans in this AA.

### ***Home Refinance Loans***

The overall distribution of home refinance loans to borrowers with different income levels within this AA is adequate. The portion of home refinance loans to low-income borrowers was lower than the percentage of low-income families, 6.93 percent for 2013, 2014 and 2015, compared to 21.31 percent for the 2010 Census period, which is poor. However, the portion of home refinance loans made to moderate-income borrowers was near to the percentage of moderate-income families, 16.07 percent for 2013, 2014, and 2015, compared to 17.75 percent for the 2010 Census period, and is considered good.

FFB's overall record of home refinance loans by borrower income level in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share to low-income borrowers exceeds its overall market share of home refinance loans in this AA. However, the bank's market share to moderate-income borrowers is near to its overall market share of home refinance loans in this AA.

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

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations of small loans to businesses.

FFB's record of making small loans to businesses in this AA is adequate. The portion of bank loans to businesses that are small, those with gross annual revenues of \$1.0 million or less, was somewhat lower than the demographic comparator, 58.59 percent of 2013, 2014, and 2015, respectively, compared to 80.00 percent for the 2010 Census period.

FFB was not required to and did not include any small loans to businesses information as a part of its 2014 HMDA submission. Therefore, its small business lending data is not included with the 2014 Peer Small Business Data. However, a review of the 2014 Peer Small Business Data for this AA indicates that the dominant small business lenders were American Express, FSB, Chase Bank USA, N.A., Capital One Bank (USA), N.A., BancFirst, and US Bank, N.A., which together achieved a combined market share of 55 percent overall.

### **Community Development Lending**

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's level of CD lending. CD lending has a significantly positive impact on the Lending Test in FFB's one full-scope AA in the State of Oklahoma. The bank's CD loans primarily promote economic development and affordable housing. Economic development lending has created LMI jobs for small businesses in the AA.

During the evaluation period, FFB originated 16 loans totaling \$37.5 million. This represents 38 percent of allocated tier 1 capital. FFB originated eight economic development loans totaling \$23.3 million, five affordable housing CD loans totaling \$10.9 million, two revitalization/stabilization CD loans for \$2.3 million, and one loan for \$1 million that provided a CD service.

Four economic development CD loans totaling \$12.9 million were extended to a local retail furniture dealer to construct a new distribution center and two new retail outlets creating approximately 80 LMI jobs.

### **Product Innovation and Flexibility**

In response to the May 20, 2013, tornado that struck Moore, OK, FFB instituted a loan program to finance storm shelters to individuals in the affected area. Terms are flexible with a rate of 2.99 percent, a maturity of 36 months, and a maximum loan amount of \$5,000. The bank has originated 116 loans totaling \$419,187.

FFB instituted a special overdraft program for existing customers that had been affected by the May 20, 2013, tornado. The overdraft program has a 90 day draw period and a maximum 60 month repayment period. The line will range from \$500 to \$2,500 depending on credit needs. The bank originated nine loans for \$21,000.

FFB also offers an unsecured personal line of credit with a maximum credit amount of \$5,000. The customer's credit limit is largely based on credit scores. This product provides customers a micro-loan product and also allows customers to establish and/or repair credit.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based upon the limited-scope reviews, the bank's overall Lending Test performance in the Tulsa MSA AA is weaker than the bank's performance in the full-scope AA. The bank's lending levels in this area were less than the lending levels in the full-scope AA. However, the bank operates only one branch in this AA.

The bank's CD lending in the limited-scope AA is not inconsistent with the performance in the full-scope AA. FFB's CD lending performance in the Tulsa MSA AA has a significantly positive impact with five CD loans totaling \$17.3 million.

The bank's performance in this limited-scope AA is not significant enough to impact the overall rating for the state.

Refer to Tables 2, 3, 4, 8, 9, and 10 in Appendix D for this state for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's overall performance under the Investment Test for Oklahoma is rated "Low Satisfactory." Based upon a full-scope review, the bank's performance in the Oklahoma City MSA AA is adequate. Performance in the limited-scope AA, as discussed below, did not impact the bank's overall Investment Test rating.

Qualified 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, FFB purchased four investments in the Oklahoma City MSA AA for \$3.4 million. Two of the investments, totaling \$1.5 million, were CRA qualified GNMA mortgage backed securities. Two investments, totaling \$1.9 million, were FNMA affordable multi-family projects located in the Oklahoma City MSA AA. Other current investments consist of 233 donations totaling \$268,000 to local non-profit organizations that provide services to LMI families and support economic development. Prior period investments total \$1.6 million and consist of CRA qualified FNMA and GNMA mortgage pools.

The bank has one prior period unfunded commitment for \$732,000. The unfunded commitment is an equity investment in the MetaFund. The MetaFund is a non-profit, multi-bank funded, community development, private equity and venture capital fund. MetaFund is a certified CDFI that primarily invests in CD projects throughout the State of Oklahoma to improve distressed geographic areas or to create LMI jobs.

Current and prior period investments total \$5.3 million representing 5.39 percent of allocated tier 1 capital for the full-scope AA, which is considered adequate. CRA qualified investments are not considered to be complex and innovative.

Based upon the dollar amount of investments and the opportunities in the AA, the bank's responsiveness to the CD needs within the Oklahoma City MSA AA is adequate.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based upon the limited-scope review, the bank's performance in the Tulsa MSA AA is stronger than the bank's overall performance in the state, due to a higher level of investments. Current and prior period investments, totaling \$1.2 million, represents 48.25 percent of allocated tier 1 capital for this limited-scope AA. However, the bank's performance in the Tulsa MSA AA is not significant enough to impact the overall rating for the state.

A portion of one GNMA investment pool included loans totaling approximately \$26,000 that were considered a part of the Oklahoma Broader Statewide Area. The performance in this area was not significant enough to affect the overall rating for the state.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in the Oklahoma City MSA AA is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Oklahoma City MSA is adequate. The level of community services provided by the FFB employees has remained very active since the prior evaluation period. FFB employees have demonstrated a willingness to provide CD services by providing technical assistance to organizations and programs that promote/provide affordable housing and educational services primarily to LMI families. FFB employees provide technical assistance and financial services by serving on boards, committees, or as members of various organizations that provide community service to LMI income individuals or families. FFB's deposit products continue to support the banking needs of LMI individuals.

### **Retail Banking Services**

Refer to Table 15 in the Oklahoma City MSA AA section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### **Oklahoma City MSA AA**

FFB's branch distribution in the Oklahoma City MSA AA is reasonably accessible to geographies and individuals of different income levels in the AA. The bank's branch distribution in 2015 through 2016 included two branches located in a low-income CT and two branches located in a moderate-income CT. The percentage of branches in low-income geographies is excellent at 9 percent and exceeds the percentage of the population in low-income geographies of 5.53 percent. The percentage of branches in moderate-income geographies is adequate at 9 percent, but below the percentage of the population in moderate-income geographies of 24.04 percent. More weight is given to the moderate-income tracts as a larger percentage of the population is within this geography. The remaining 18 branches are scattered throughout Oklahoma City MSA AA and are located in middle- or upper-income CTs.

Branch openings and closings have not affected the accessibility of FFB's delivery systems, particularly to LMI geographies and individuals within the Oklahoma City MSA AA. During the evaluation period, FFB relocated one branch in a middle income tract due to structural issues with the building. The new branch location was approximately one half of a mile from the prior location. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

FFB has a branch location that has extended hours and bilingual employees to assist non-English speaking customers. The Capitol Hill branch is a full service branch with extended evening and weekend hours to service the high retail volume. The Capitol Hill district has a high concentration of the Hispanic ethnicity. Many of these customers are LMI. The bank is in the process of a complete tear down and rebuild of the Capitol Hill branch, demonstrating the bank's commitment to this market. FFB is now one of very few financial institutions with a presence in the Capitol Hill market, and as such, services a high volume of the LMI residents in the area. Almost all of the employees that work at the Capitol Hill branch are bilingual and a number of the customer service representatives in the Call Center are bilingual. FFB also offers a

Spanish language option on the bank's 24 hour automated customer service line. The Capitol Hill branch is also located in a qualified Empowerment Zone.

### **Alternative Delivery Systems**

Bank-wide, management complements its traditional service delivery methods with certain delivery processes, such as the following:

- Online Banking (personal and commercial), which includes free electronic bill pay;
- Telephone Banking (loans and deposits), 24 hours a day, 365 days a year;
- Mobile Banking, check account balances, transfer money between FFB accounts, and mobile deposit;
- Free Checking Accounts and no fee payroll cards;
- Full Service Telephone Center, customers can open accounts and apply for loans, bilingual services are available, Monday-Friday 8am to 7pm and Saturday 8am to 1pm; and
- Automated Teller Machines (ATM).

Alternative delivery systems have a positive impact on accessibility of bank products and services. FFB has 30 proprietary ATMs throughout Oklahoma and Phoenix. Four of the 25 ATMs (16 percent) in the Oklahoma City MSA AA are located in LMI geographies. One of the two ATMs (50 percent) in the Phoenix MSA AA are located in LMI geographies. All ATMs have Spanish language capabilities. In addition to proprietary ATMs, FFB has a program in which they will refund all fees for out of network ATMs. Customers can submit their receipts for any out of network ATM fees and the bank will credit them back. There is no limit on the number of times the bank will refund these charges.

FFB also offers a program called "Pocket Your Change." Every time a customer swipes their FFB CheckCard, an amount they choose is automatically swept into their FFB savings account. The amount saved is totally up to the customer. The customer can choose to save one cent or \$20 per transaction and can choose to sweep the savings with each transaction or as a daily lump sum. The customer can even set a daily savings limit and once the daily limit is met the sweep automatically stops. "Pocket Your Change" will never overdraw the account. If the preset savings amount exceeds the current balance, the transaction will not occur.

### **Community Development Services**

The level of qualified CD services is excellent. Bank officers have served in leadership positions on organizations that provide community services to LMI families and provide 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 CD services.

- ***United Way***  
Several bank officers serve on various committees, as well as on the board. FFB has a history of being very supportive of United Way, both in granting large donations and in taking leadership positions within the organization. United Way member agencies provide a variety of social services to LMI families in the Oklahoma City AA.

- ***Rose State College Foundation Board of Governors***

A bank officer serves as a board member for Rose State College. The Foundation is organized and operated exclusively for charitable, benevolent, educational and scientific purposes in support of Rose State College. The two main areas of focus for Foundation support are student scholarships and enhancements for academic programs. The Rose State College Foundation is a registered 501(c) 3 charitable organization.

- ***Upward Transitions***

Bank employees serve as a board member and on a fund raising committee for this organization. Upward Transitions serves those who are homeless and impoverished by providing case management and stabilizing resources to meet basic social needs. The ultimate goal is to assist individuals and families to reach their potential with the ability to support themselves and contribute back to their community. Upward Transitions is committed to CD and advocacy for those who are poor and homeless.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Tulsa MSA AA is not inconsistent with the bank's overall "Low Satisfactory" performance under the Service Test. Refer to Table 15 in Appendix C for the facts and data that support these conclusions.

## State of Arizona

### **CRA Rating for Arizona: Satisfactory**

**The Lending Test is rated: Low Satisfactory**

**The Investment Test is rated: Low Satisfactory**

**The Service Test is rated: Low Satisfactory**

The major factors that support this rating include:

- The geographic distribution of home mortgage loans and loans to small business is adequate. The distribution of home improvement loans is adequate, home refinance loans is poor, and small business loans is excellent.
- The distribution of home mortgage loans and loans to small businesses by borrower income is adequate. The distribution of home improvement loans is adequate, home refinance loans is poor, and small business loans is adequate
- The level of CD lending was excellent and was positively factored into the overall analysis.
- The bank provided an adequate amount of CD investments within the AA.
- Retail banking services are adequate. CD services were given positive consideration in evaluating the Service Test.

### **Description of Institution's Operations in Arizona**

FFB has one AA in the State of Arizona that consists of both counties in the Phoenix, Mesa-Scottsdale, AZ MSA (Phoenix MSA). The Phoenix MSA AA is a full-scope AA that includes Maricopa County and Pinal County. Phoenix, AZ is the largest city in this MSA AA. Six of the bank's 29 branches and four of its 29 ATMs are located in the Phoenix MSA AA.

The Phoenix MSA AA offices generate about 27 percent of FFB's total dollar amount of deposits and, during the evaluation period, 9 percent of the total number of HMDA-reportable loans and 31 percent of the CRA-reportable small business loans. Competition in FFB's Phoenix AA is strong and includes numerous national and regional banks, such as, JPMorgan Chase, Wells Fargo Bank, Bank of America, Western Alliance Bank, MidFirst Bank, Bank of Oklahoma, and many smaller community banks. FFB's market presence in the Phoenix MSA is less than 1 percent of the total deposits market share.

Refer to the market profiles for the State of Arizona in Appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

### **Scope of Evaluation in Arizona**

The bank's Arizona market area includes just two counties that comprise the Phoenix MSA (Maricopa and Pinal counties). Our analysis included full-scope examination procedures for the CRA performance

in this Phoenix MSA AA. The levels of bank-wide lending and deposits require this MSA AA to be examined using full-scope procedures. The ratings for the State of Arizona are based upon results of this evaluation. Please refer to the table in Appendix A for additional information on the scope of our review.

Approximately 25 percent of bank-wide net loans originated in the full-scope Phoenix MSA AA, while 27 percent of bank-wide total deposits are held in the six Phoenix MSA AA branches. These similar percentages indicate the bank is extending credit in Arizona borrowers proportionately to its Arizona customer deposit base.

HMDA lending in the Phoenix MSA AA during the review period consisted of 140 loans totaling \$22 million compared to 406 CRA small business loans totaling \$89 million. Consequently, CRA small business lending will receive the most weight in Arizona since it is roughly four times the number and volume of HMDA lending. The number of HMDA loans made in this MSA AA during the review period comprised 9 percent of the bank-wide total number of HMDA loans made. The number of CRA small business loans made in this MSA AA during the review period comprised 31 percent of the bank-wide total number of CRA small business loans made.

Four community contacts were conducted in the Phoenix MSA AA. Discussions were held with representatives from two Economic Development Agencies located in Phoenix, AZ, Maricopa County and the City of Mesa, AZ, Mesa County. Community contacts were also made with representatives from one Small Business Development CDFI and one Affordable Housing CDFI, both located in Phoenix, AZ. The contacts identified a need for continued and expanded grants from financial institutions to maintain their level of services, especially services to provide affordable housing. They felt increased small business lending was critical to maintain development in the MSA business corridor extending through Mesa, AZ; and that innovative products and services designed to help small business owners are important. Opportunities to develop relationships with CDFI's exist that could lead to loan referral programs. In addition, there are opportunities to participate in CDFI board membership, especially for senior officers from larger banks. One contact felt there are opportunities to expand branch operations into more LMI areas in the Phoenix MSA AA.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in the Phoenix AA is rated "Low Satisfactory." Based on the full-scope review, the bank's performance in the Phoenix AA is adequate.

#### **Lending Activity**

Refer to Table 1 Lending Volume in Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's overall lending activity is adequate within this AA, considering the competition for reportable home mortgage loans and small loans to businesses.

During the evaluation period, January 1, 2013, through December 31, 2015, for HMDA and small business lending and between September 5, 2012, and July 10, 2016, for CD lending, the bank originated 570 home

mortgage, small business, and CD loans within this AA that totaled approximately \$173 million. By number of loans made and reported for this AA, home mortgage loans accounted for 25 percent of the total loan volume, small loans to businesses accounted for 72 percent of the total loan volume, and CD loans accounted for 3 percent of total loan volume.

Market share information for loans and deposits shows that FFB operates in a highly competitive banking environment. Financial institutions whose operations encompass large portions of the country are active within this AA. Based upon the number of loans, 2014 market share data for home mortgage loans, FFB ranked 68<sup>th</sup> among 456 similarly situated reporting lenders, with a market share of 0.11 percent for home purchase, home improvement, and home refinance mortgage loans, compared to a ranking of 22<sup>nd</sup> for core deposit market share with 0.34 percent of the market's deposits.

However, the bank ranked 55<sup>th</sup> among similarly situated lenders for home mortgage loans secured by property located in LMI CTs. The dominant lenders for home mortgage loan products within this AA were Wells Fargo Bank, N.A., JPMorgan Chase Bank, N.A., US Bank, N.A., Bank of America, N.A., Flagstar Bank, and USAA Federal Savings Bank. These six lenders achieved a market share of approximately 65 percent in home mortgage loans overall and approximately 67 percent for loans secured by property in LMI CTs.

FFB was not required to and did not include any small loans to businesses information as a part of its 2014 HMDA submission. Therefore, its small business lending data is not included with the 2014 Peer Small Business Data. However, a review of the 2014 Peer Small Business Data for this AA indicates that the dominant small business lenders were American Express, FSB, Chase Bank USA, N.A., Capital One Bank (USA), N.A., Citibank, N.A., and Wells Fargo Bank, N.A., which together achieved a combined market share of 39 percent overall.

As of June 30, 2015, FFB ranked 22<sup>nd</sup> among 58 depository institutions with a market share of approximately 0.34 percent for its core branch deposits, with JPMorgan Chase Bank, N.A., Bank of America, N.A., Western Alliance Bank, Wells Fargo Bank, N.A., and Compass Bank having the largest shares.

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

### ***Home Mortgage Loans***

Refer to Tables 3 and 4 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations for home improvement and refinances originated during the review period.

The geographic distribution of FFB's home mortgage loans within this AA is adequate. Geographic distribution for home improvement loans is adequate and the distribution for home refinance loans is adequate. Home purchase loans were not reviewed due to the low number and nominal value originated during the review period. We placed significant weight on the geographic distribution of home mortgage loan products within the LMI CTs, although there are fewer opportunities to originate home mortgage loans in those geographies.

### ***Home Improvement Loans***

The geographic distribution of the bank's home improvement loans within this AA is adequate. The portion of home improvement loans made by the bank in both the LMI CTs was somewhat lower than the demographic comparator, OOHUs. This indicates an adequate performance for this type of loan. The bank originated 2.74 percent of its home improvement loans in the low-income CTs for 2013, 2014, and 2015. However, OOHUs in the low-income CTs represent only 3.66 percent of all OOHUs within this AA for the 2010 Census period. The bank originated 13.70 percent of its home improvement loans in the moderate-income CTs for 2013, 2014, and 2015. OOHUs in the moderate-income CTs represent 21.50 percent of all OOHUs within this AA for the 2010 Census period.

FFB's overall record of home improvement loans by income level of the geography in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share in low-income CTs exceeds its overall market share of home improvement loans in this AA. The bank's market share in moderate-income CTs also exceeds its overall market share of home improvement loans in this AA.

### ***Home Refinance Loans***

The geographic distribution of the bank's home refinance loans within this AA is poor. The portion of home refinance loans made by the bank in both LMI CTs was lower than the demographic comparator, OOHUs, indicating poor performance for this type of loan. The bank originated 2.22 percent of its home refinance loans in the low-income CTs for the review period. However, OOHUs in the low-income CTs represent only 3.66 percent of all OOHUs within this AA for the 2010 Census period. The bank originated 4.44 percent of its home refinance loans in the moderate-income CTs for 2013, 2014, and 2015. OOHUs in the moderate-income CTs represent 21.50 percent of all OOHUs within this AA for the 2010 Census period.

FFB's overall record of home improvement loans by income level of the geography in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share in low-income CTs is lower than its overall market share of home improvement loans in this AA. The bank's market share in moderate-income CTs is also lower than its overall market share of home improvement loans in this AA.

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

Refer to Table 6 in Appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of the bank's small loans to businesses within this AA is excellent. The portion of small loans to businesses made by the bank in the LMI CTs exceeds the demographic comparator, the percentages of businesses within these tracts, indicating good performance for this type of loan. The bank originated 17.73 percent of its small loans to businesses in the low-income CTs for 2013, 2014, and 2015. Businesses in the low-income CTs represent only 6.39 percent of all businesses within this AA for the 2010 Census period. The bank originated 15.02 percent of its small loans to businesses in the moderate-income CTs for 2013, 2014, and 2015. Businesses in the moderate-income CTs represent 15.86 percent of all businesses within this AA for the 2010 Census period.

FFB was not required to and did not include any small loans to businesses information as a part of its 2014 HMDA submission. Therefore, its small business lending data is not included with the 2014 Peer Small Business Data. However, a review of the 2014 Peer Small Business Data for this AA indicates that the dominant small business lenders were American Express, FSB, Capital One Bank (USA), N.A., Wells Fargo Bank, N.A., Citibank, N.A., and Chase Bank USA, N.A., which together achieved a combined market share of 67 percent overall.

### ***Lending Gap Analysis***

We analyzed FFB's lending distribution within the Phoenix MSA AA to determine if any unexplained conspicuous gaps existed in the bank's home mortgage loan and small business loan activity. We did not identify any unexplained conspicuous gaps in lending.

### ***Inside/Outside Ratio***

A substantial majority of the home mortgage loans, loans to small businesses, and CD loans originated by the bank over the evaluation period were within the Phoenix MSA AA. Approximately 95 percent of the bank's home mortgage loans, 92 percent of the small business, and 100 percent of CD loans were within the Phoenix MSA AA. This performance was positively factored into the overall analysis.

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

The overall borrower distribution of the bank's lending activity within this AA is adequate. In making this determination we gave the most weight to the bank's performance in its highest volume products, home mortgage loans for home improvements and refinances and small loans to businesses. Home purchase loans were not reviewed due to the low number and nominal value of this type of loan originated during the review period.

#### ***Home Mortgage Loans***

Refer to Tables 9 and 10 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations.

The overall distribution of home mortgage loans to borrowers of different income levels within this AA is adequate. Borrower distribution for home improvement loans is adequate and the distribution for home refinance loans is adequate. Home purchase loans were not reviewed due to the low number and nominal value originated/purchased during the review period.

#### ***Home Improvement Loans***

The distribution of home improvement loans to borrowers with different income levels within this AA is adequate. The portion of home improvement loans to low-income borrowers was somewhat lower than the percentage of low-income families, 5.71 percent for 2013, 2014 and 2015, compared to 21.18 percent for the 2010 Census period. The portion of home improvement loans made to moderate-income borrowers exceeded the percentage of moderate-income families, 20.00 percent for 2013, 2014 and 2015, compared to 17.76 percent for the 2010 Census period.

FFB's overall record of home improvement loans by borrower income level in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share to low-income borrowers is near to its overall market share of home improvement loans in this AA. The bank's market share to moderate-income borrowers exceeds its overall market share of home improvement loans in this AA.

### ***Home Refinance Loans***

Distribution of home refinance loans to LMI borrowers is poor. The portion of home refinance loans made to low-income borrowers was significantly lower than the percentage of low-income families within this AA. The bank originated no home refinance loans during the review period to low-income borrowers, which is very poor. The portion of loans made to moderate-income borrowers was somewhat lower than the demographic comparator and was considered adequate, 10.81 percent for 2013, 2014, and 2015, compared to 17.76 percent for the 2010 Census period.

FFB's overall record of home refinance loans by borrower income level in this AA was also compared to the lending activity of all reporting lenders. This information was derived from the 2014 Market Share Mortgage Data, the latest available. The bank's market share to both LMI borrowers is lower than its overall market share of home refinance loans in this AA. However, the bank's overall market share of home refinance loans in this AA is only 0.01 percent.

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

Refer to Table 11 in Appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations of small loans to businesses.

FFB's record of making small loans to businesses in this AA is adequate. The portion of bank loans to businesses that are small, those with gross annual revenues of \$1 million or less, was somewhat lower than the demographic comparator, 41.08 percent for 2013, 2014, and 2015, compared to 80.53 percent for the 2010 Census period.

FFB was not required to and did not include any small loans to businesses information as a part of its 2014 HMDA submission. Therefore, its small business lending data is not included with the 2014 Peer Small Business Data. However, a review of the 2014 Peer Small Business Data for this AA indicates that the dominant small business lenders were American Express, FSB, Capital One Bank (USA), N.A., Wells Fargo Bank, N.A., Citibank, N.A., and Chase Bank USA, N.A., which together achieved a combined market share of 67.46 percent overall.

### **Community Development Lending**

Refer to Table 1 Lending Volume in section of Appendix D for the facts and data used to evaluate the bank's level of CD lending. CD lending has a significantly positive impact on the Lending Test in FFB's one full-scope AA in the State of Arizona. The bank's CD loans primarily promote economic development and affordable housing. Economic development lending has created LMI jobs for small businesses in the AA.

During the evaluation period, FFB originated 21 loans totaling \$59.8 million. This represents 193 percent of allocated tier 1 capital. FFB originated 16 economic development loans totaling \$36.4 million, two

affordable housing CD loans totaling \$16 million, two revitalization/stabilization CD loans for \$5.6 million and one CD loan for \$1.8 million that provided a CD service.

### **Product Innovation and Flexibility**

FFB did not offer any other innovative or flexible loan products in the State of Arizona outside of the personal line of credit described under the State of Oklahoma section.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

There are no limited-scope areas in Arizona.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's overall performance under the Investment Test for Arizona is rated "Low Satisfactory." Based upon a full-scope review, the bank's performance in the Phoenix MSA AA is adequate.

Qualified 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, FFB purchased one CRA qualified GNMA mortgage pool totaling \$1 million. Other current investments consist of 25 donations totaling \$37,000 to local non-profit organizations that provide services to LMI families and support economic development. The bank has one prior period CRA qualified GNMA mortgage pool with a book value of \$570,000. Investments are not considered complex or innovative.

Current and prior period investments total \$1.6 million and represent 5.18 percent of allocated tier 1 capital for the full-scope AA, which is consider adequate.

Based upon the dollar amount of investments and the opportunities in the AA, the bank's responsiveness to the CD needs within the Phoenix MSA AA is adequate.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

### **Conclusions for Area Receiving Limited-Scope Reviews**

There are no limited-scope areas in Arizona.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in the Phoenix MSA is rated "Low Satisfactory." Based on a full-scope review, the bank's performance in the Phoenix MSA is adequate. The level of community services provided by the FFB employees has remained very active since the prior evaluation period. FFB employees have demonstrated a willingness to provide CD services by providing technical assistance to organizations and programs that promote/provide affordable housing and educational services primarily to LMI families. FFB employees provide technical assistance and financial services by serving on boards, committees, or as members of various organizations that provide community service to LMI income individuals or families. FFB's deposit products continue to support the banking needs of LMI individuals.

### **Retail Banking Services**

Refer to Table 15 in the State of Arizona section of appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### **Phoenix MSA AA**

FFB's branch distribution in the Phoenix MSA AA is reasonably accessible to geographies and individuals of different income levels in the AA. The bank's branch distribution in 2015 through 2016 included one branch located in a low-income CT and one branch located in a moderate-income CT, of the six branches in the Phoenix MSA. The percentage of branches in low-income geographies is outstanding at 16.67 percent and exceeds the percentage of the population in low-income geographies, of 8.18 percent. The percentage of branches in moderate-income geographies is adequate at 16.67 percent, but below the percentage of the population in moderate-income geographies of 24.7 percent. More weight is given to the moderate-income tracts as a larger percentage of the population is within this geography. The remaining four branches are scattered throughout the Phoenix MSA AA and are located in middle- or upper-income census tracts.

Branch openings and closings generally have not adversely affected the accessibility of FFB's delivery systems, particularly to LMI geographies and individuals within the Phoenix MSA AA. During the evaluation period, FFB closed one branch in a moderate-income tract. This branch was located in Nogales, AZ which is a border town, and was part of the acquisition of Sunrise Bank in 2013. This branch was sold to a local bank. All of the other branches in Arizona are full service branches. Branch hours and services do not vary in a way that would inconvenience portions of the AA, particularly LMI individuals. Services offered and banking hours are comparable among locations regardless of the income level of the geography.

### **Alternative Delivery Systems**

Bank-wide, management complements its traditional service delivery methods with certain delivery processes, such as the following:

- Online Banking (personal and commercial), which includes free electronic bill pay;
- Telephone Banking (loans and deposits), 24 hours a day, 365 days a year;
- Mobile Banking, check account balances, transfer money between FFB accounts, and mobile deposit;

- Free Checking Accounts and no fee payroll cards;
- Full Service Telephone Center, customers can open accounts and apply for loans, bilingual services are available, Monday-Friday 8am to 7pm and Saturday 8am to 1pm; and
- Automated Teller Machines (ATM).

Alternative delivery systems have a positive impact on accessibility of bank products and services. FFB has 30 proprietary ATMs throughout Oklahoma and Phoenix. Four of the 25 ATMs (16 percent) in the Oklahoma City MSA AA are located in LMI geographies. One of the two ATMs (50 percent) in the Phoenix MSA AA are located in LMI geographies. All ATMs have Spanish language capabilities. In addition to proprietary ATMs, FFB has a program in which they will refund all fees for out of network ATMs. Customers can submit their receipts for any out of network ATM fees and the bank will credit them back. There is no limit on the number of times the bank will refund these charges.

FFB also offers a program called “Pocket Your Change.” Every time a customer swipes their FFB CheckCard, an amount they choose is automatically swept into their FFB savings account. The amount saved is totally up to the customer. They can choose to save one cent or \$20 per transaction. They can choose to sweep the savings with each transaction or as a daily lump sum. They can even set a daily savings limit, once the daily limit is met, the sweep automatically stops. “Pocket Your Change” will never overdraw the account. If the preset savings amount exceeds the current balance, the transaction will not occur.

## Community Development Services

### Phoenix MSA AA

The level of qualified CD services is adequate. Bank officers have served in leadership positions on organizations that provide community services to LMI families and at-risk children. The following are examples of qualifying CD services.

- ***Westmarc (Western Maricopa Coalition)***  
Bank employees serve as a board member and committee member of this organization. Westmarc is a public-private partnership consisting of 15 communities, the business community, and the educational sector in the West Valley of Greater Phoenix. The organization supports economic development and quality of life in the West Valley of Greater Phoenix. The Greater Phoenix Economic Council stated that 52 percent of the Phoenix area’s growth is expected to occur in the West Valley. There are several large companies based in the West Valley area. Long-term, permanent jobs have been created for residents, including LMI residents.
- ***Junior Achievement of Arizona (JAA)***  
Bank employees serve as a board member and offer financial literacy education. JAA works in schools where 78 percent of the students are on free and reduced lunch. JAA provides education to K-12 students about entrepreneurship, work readiness, and financial literacy since 1957.

## Conclusions for Areas Receiving Limited-Scope Reviews

There are no limited-scope areas in Arizona.

## 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 metropolitan and nonmetropolitan areas 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>	Lending Test : <b>01/01/13 to 12/31/15</b> Investment and Service Tests and CD Loans: <b>09/05/12 to 07/10/16</b>	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First Fidelity Bank, National Association (FFB) Oklahoma City, OK	Home Purchase, Home Improvement, Home Refinance, Small Business loans, Community Development loans, investments, and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None.		No affiliate products reviewed
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
<u>Oklahoma</u> Oklahoma City MSA Tulsa MSA	Full-Scope Limited-Scope	
<u>Arizona</u> Phoenix MSA	Full-Scope	

## Appendix B: Summary of State Ratings

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RATINGS		First Fidelity Bank, N.A.		
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
First Fidelity Bank	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
State of Oklahoma	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State of Arizona	Low Satisfactory	Low Satisfactory	Low satisfactory	Satisfactory

(\*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

## Appendix C: Market Profiles for Full-Scope Areas

### State of Oklahoma

#### Oklahoma City MSA

Demographic Information for Full-Scope Area: Oklahoma City MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	363	8.82	26.72	38.29	25.07	1.10
Population by Geography	1,252,987	5.53	24.04	41.65	28.68	0.10
Owner-Occupied Housing by Geography	313,278	3.19	18.68	45.02	33.10	0.00
Businesses by Geography	96,148	5.34	19.87	38.38	35.26	1.15
Farms by Geography	3,434	1.89	14.91	49.21	33.87	0.12
Family Distribution by Income Level	309,578	21.31	17.75	20.56	40.38	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	120,921	9.16	34.85	41.29	14.78	0.00
Median Family Income	= \$58,775	Median Housing Value		= \$122,327		
HUD Adjusted Median Family Income for 2015	= \$64,500	Unemployment Rate		= 3.77 %		
Households Below the Poverty Level	= 13.61%					

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2015 HUD updated MFI.

The Oklahoma City MSA consists of seven counties. It contains the state capital and principal city, Oklahoma City. FFB has designated the entire Oklahoma City MSA as a full-scope AA, including Oklahoma, Canadian, Cleveland, Grady, Lincoln, Logan, and McClain counties. Approximately 75 percent of bank-wide net loans are centered in the Oklahoma portfolio, including 69 percent of net loans, which originated in the Oklahoma City MSA AA. In addition, 68 percent of FFB's total assets, and almost 72 percent of bank-wide total deposits are held throughout FFB branches in the Oklahoma City MSA AA. During the evaluation period, the FFB offices in the Oklahoma City MSA AA generated 80 percent of the total number of HMDA-reportable loans and 62 percent of the CRA-reportable small business loans. Banking competition in the Oklahoma City MSA AA is strong and includes several national and regional banks, such as, Bank of Oklahoma, MidFirst Bank, JPMorgan Chase, BancFirst, Bank of America, and many smaller community banks. While FFB is ranked 7th in deposits market share in the Oklahoma City MSA, because of this aggressive competition, FFB's total deposits market presence in the Oklahoma City MSA is relatively small at only 3 percent of the total deposits held by all banks in the MSA.

Twenty-two of the bank's 29 branches are located in the Oklahoma City MSA AA. Two of the banking centers in Oklahoma City, including the Bank's corporate headquarters, are limited-service branches. The other 20 Oklahoma City MSA AA branches are full-service branches, as is the single branch in the Tulsa, OK market, and all six branches in the Phoenix, AZ market. The bank also has 29 ATMs bank-wide, including 24 ATMs in the Oklahoma City MSA AA, one ATM in Tulsa, and four ATMs in the Phoenix MSA market.

FFB's general business strategy is to focus on consumer and small business opportunities. The bank's strategy in the Oklahoma City MSA market is to maintain its large retail/consumer focus, but continue to support and grow the small business and commercial divisions. The bank offers a diverse line of deposit and loan products, including commercial, commercial real estate, consumer, residential real estate (both retained and sold to the secondary market), and unsecured loans. FFB services include 24 hour telephone banking, online banking, bill payment services, mobile and remote deposit for both consumer and business customers, as well as, a number of additional electronic services for commercial customers.

According to the 2015 Oklahoma City Economic Forecast published by the Greater Oklahoma City Chamber of Commerce, while the decline in the price of oil in 2015 did cause setbacks, the economy remains stable and is poised for continued growth. The forecast stated, "Oklahoma City has recently faced a contradiction of forces: Oil price uncertainty and its drag upon the energy sector versus long-run patterns of economic diversification, prosperity, and growth. Currently, the energy sector accounts for about 3 percent of the Oklahoma City metro's total employment, but 9 percent of total earnings. The Oil and Gas industry is undergoing a restructuring that resulted in some layoffs and downsizing; however, the economic impact is more about capital spending than unemployment."

"Economic conditions in Oklahoma improved in 2014 after a relatively lackluster 2013. Statewide private sector employment grew at a 2.4 percent pace in 2014, for a 2011 to 2014 post-recession average growth rate of 2.2 percent. Payroll employment growth was more than enough to offset strong population gains and keep downward pressure on the state's unemployment rate which averaged only 4.6 percent for the year [4.6 percent in 2015 and continued downward to 3.87 percent in 2015].

Oklahoma City continues to enjoy the fruits of its geography as economic activity concentrates along the Interstate 35 corridor. Population growth in the city is among the fastest in the nation averaging nearly 1.6 percent per year since 2007. Oklahoma City's population growth rates trail the corridor cities to the south including Dallas, Austin, Houston and San Antonio, and points to continued economic growth up the corridor, such as the Oklahoma City metro area.

As people and income congregate in the metro area, household demand for consumer services follow. Oklahoma City's 2014 growth was led by explosive gains in construction employment (up 12.1 percent) and employment in leisure services (up 8.8 percent). Also posting strong payroll gains in 2014 were health services and retail trade, two industries that follow naturally from population growth. However, lower oil prices will slow the pace of income gains in 2015 and 2016, particularly among those that rely on bonus checks, override income, or royalty payments to supplement monthly incomes. The expectation is that the momentum of long-run inertia is stronger than the forces of short-run weakness that led to modest growth in 2015.

The baseline forecast is for private sector employment in the metro area to expand at a 1.7 percent annual pace – roughly half the four-year average established from 2011 to 2014. Employment gains will be led again by demand for consumer services including construction, leisure, health care, and retail trade. Metro area unemployment rates are expected to tick up in 2015, averaging 4.3 percent for the year compared to the 4.1 percent average set in 2014. Oklahoma City per capita personal income is estimated to have grown to \$44,899 in 2014 and is expected to reach \$45,611 in 2015.

As described, the Oklahoma City economy has been generally stable and did not experience the same community financial issues that were experienced in other areas of the country. Mortgage rates have been low for an extended period of time and, as much of the housing demand has now been met, mortgage

originations have slowed. Consequently, CRA opportunities associated with the demand for housing have been limited.

During the review period, which included the recent recession, real estate housing prices did not fall in Oklahoma as it did in other areas of the country and among consumers owning homes in the Oklahoma City MSA market, about 74 percent are middle- and upper-income families. Consequently, demand for home mortgages by LMI persons is proportionately limited to only about one quarter of the home market; and the demand for affordable housing qualified for CD consideration is similarly limited.

Community contacts were conducted in the Oklahoma City MSA AA with representatives from three community action agencies (CAA) located in three different towns/counties in the Oklahoma City MSA AA: Oklahoma City, OK/ Oklahoma County, Lindsay, OK/McClain County, and Chickasha, OK/Grady County. The contacts indicated there are needs for grants from financial institutions to help cover program expenses and to provide matching funds for incentive programs, such as Individual Deposit Accounts (IDAs) and the CAAs' own small business lending programs. They felt there are also opportunities to establish partnerships with banks to provide more affordable housing in the AA, and to provide financial literacy programs, especially homebuyer education.

## State of Arizona

### Phoenix MSA

Demographic Information for Full-Scope Area: Phoenix MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	991	9.18	24.52	33.91	31.38	1.01
Population by Geography	4,192,887	8.18	24.70	36.00	30.95	0.17
Owner-Occupied Housing by Geography	1,008,811	3.66	21.50	38.06	36.77	0.01
Businesses by Geography	343,574	6.43	15.83	30.97	46.20	0.58
Farms by Geography	6,845	5.64	17.18	34.43	42.35	0.39
Family Distribution by Income Level	1,000,063	21.18	17.76	20.47	40.59	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	389,428	13.42	36.31	33.84	16.44	0.00
Median Family Income	= \$64,408	Median Housing Value				= \$251,130
HUD Adjusted Median Family Income for 2015	= \$64,000	Unemployment Rate				= 4.47 %
Households Below the Poverty Level	= 11.72%					

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2015 HUD updated MFI.

The Phoenix MSA consists of two counties: Maricopa County and Pinal County. It contains the principal city and state capital, the City of Phoenix, Arizona. FFB designated the entire Phoenix MSA as a full-scope AA. Six of the bank's 29 branches, and four of its 29 ATMs, are located in the Phoenix MSA AA. All six of the banking centers are full-service branches.

Approximately 25 percent of bank-wide net loans originated in the Phoenix MSA portfolio. In addition, 26 percent of FFB's total assets and almost 27 percent of bank-wide total deposits are held throughout FFB's six branches in the Phoenix MSA AA.

During the evaluation period, the FFB offices in the Phoenix MSA AA generated about 9 percent of the total number of HMDA-reportable loans and 31 percent of the CRA-reportable small business loans. Banking competition in FFB's Phoenix MSA AA is strong, especially from numerous national and regional banks, such as, JPMorgan Chase, Wells Fargo Bank, Bank of America, Western Alliance Bank, MidFirst Bank, Bank of Oklahoma; and from many smaller community banks. FFB's deposit market presence in the Phoenix MSA is very small. It is ranked 22<sup>nd</sup> in the market and is less than one percent (0.34%) market share of the total deposits of all banks in the Phoenix MSA.

FFB's general business strategy is to focus on consumer and small business opportunities. The bank's strategy in the Phoenix MSA market is to maintain its commercial focus, but continue to support and grow the consumer division. The bank offers a diverse line of deposit and loan products, including commercial, commercial real estate, consumer, residential real estate (both retained and sold to the secondary market), and unsecured loans. FFB services include 24 hour telephone banking, online banking, bill payment

services, mobile and remote deposit for both consumer and business customers, as well as, a number of additional electronic services for commercial customers.

At the time of the 2012 CRA performance evaluation, the nation was in the middle of a recession and the Phoenix MSA was struggling economically. At the examination date for this 2016 performance review, that situation has turned-around. Economic growth in Arizona, including growth in the Phoenix MSA AA, accelerated in 2015 and through June 2016. The state has a favorable business environment coupled with an affordable real estate market. Retiring baby boomers and immigrants are flocking to the state, supporting the state's job and real estate markets.

The "Phoenix Regional Economic Update," prepared by Comerica Economic Insights, reported, "The Phoenix metropolitan area added more than 66,000 nonfarm payroll jobs between March 2015 and March 2016. Consequently, the region's unemployment rate fell to 4.7 percent by March 2016. Favorable job growth has encouraged in-migration propelling the area's total population up to 4.5 million. In 2015, the area added over 78,000 new residents, who accounted for more than 85 percent of the Arizona's population growth for the year. Many national and international businesses are locating facilities or expanding operations in the Phoenix area to take advantage of this growing labor force. The tourism industry plays a major role in the stability of the Arizona economy as well.

The steady influx of new residents from California and elsewhere is supporting residential construction activity. The area saw a 25 percent increase in the total housing starts mostly fueled by single-family starts in the first quarter of 2016. Home sales grew by 37 percent in the first quarter. However, multi-family housing starts declined in the consecutive two quarters starting in 2015Q4. Multi-family apartment permits also declined by 25 percent in 2015 compared to a year ago. Home prices grew as high as 10 percent in the second half of 2015, faster than personal income. The mismatch between income and home price growth indicates a tight housing market is developing with declining affordability.

The Phoenix market experienced many of the same financial issues as the rest of the country during the recent recession, and both commercial and home mortgage lending were affected, especially small business lending, which is a primary product in the Phoenix market. Real estate values, which had declined during the review period, are just starting to rebound and become stable. Consequently, CRA opportunities associated with the demand for housing have been limited. In addition, because of the length of time that mortgage rates have been low, mortgage originations have slowed and correspondingly reduced the number of loan originations made for LMI families.

Four community contacts were conducted in the Phoenix MSA AA. Discussion were held with representatives from two Economic Development agencies located in Phoenix, AZ, Maricopa County and the City of Mesa, AZ, Mesa County. Community contacts were also made with representatives from one Small Business Development CDFI and one Affordable Housing CDFI, both located in Phoenix, AZ. The contacts identified a need for continued and expanded grants from financial institutions to maintain their level of services, especially services to provide affordable housing. They felt increased small business lending was critical to maintain development in the MSA business corridor extending through Mesa, AZ; and that innovative products and services designed to help small business owners are important. Opportunities to develop relationships with CDFI's exist that could lead to loan referral programs. In addition, there are opportunities to participate in CDFI board membership, especially for senior officers from larger banks. One contact felt there are opportunities to expand branch operations into more LMI areas in the Phoenix MSA AA.

## 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 areas 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 loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/AA. Community development loans to statewide or regional entities or made outside the bank’s AA may receive positive CRA consideration. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/AA. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's AA.
- Table 8. Borrower Distribution of Home Purchase Loans** - 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 families by income level in each MA/AA. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table 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 of households by income level in each MA/AA.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's AA. See Interagency Q&As \_\_.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: OKLAHOMA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Oklahoma City MSA AA	87.53	1,306	140,505	821	101,933	13	897	16	37,505	2,156	280,840	97.88
<b>Limited Review:</b>												
Tulsa MSA AA	12.47	185	11,732	69	10,956	0	0	5	17,340	259	40,028	2.12

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from September 05, 2012 to July 10, 2016.

\*\*\* Deposit Data as of May 31, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: OKLAHOMA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Oklahoma City MSA AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	97.88
<b>Limited Review:</b>														
Tulsa MSA AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	2.12

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from September 05, 2012 to July 10, 2016.

\*\*\* Deposit Data as of May 31, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: OKLAHOMA		Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015	
Assessment Area (2015):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Oklahoma City MSA AA	0	0	0	0	
<b>Limited Review:</b>					
Tulsa MSA AA	0	0	0	0	

\* The evaluation period for Optional Product Line(s) is from January 01, 2013 to December 31, 2015.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: OKLAHOMA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015					
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	444	97.16	3.19	1.35	18.68	14.64	45.03	41.89	33.10	42.12	0.56	0.81	0.74	0.56	0.50
<b>Limited Review:</b>															
Tulsa MSA AA	13	2.84	3.41	0.00	20.85	15.38	40.81	7.69	34.92	76.92	0.04	0.00	0.10	0.00	0.05

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT			Geography: OKLAHOMA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	457	75.91	3.19	3.94	18.68	15.32	45.03	48.36	33.10	32.39	3.26	4.96	3.62	3.49	2.59
<b>Limited Review:</b>															
Tulsa MSA AA	145	24.09	3.41	1.38	20.85	13.10	40.81	35.17	34.92	50.34	4.12	2.86	2.23	3.65	5.75

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: OKLAHOMA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	402	94.15	3.19	3.23	18.68	16.42	45.03	41.04	33.10	39.30	1.00	4.55	1.22	1.00	0.80
<b>Limited Review:</b>															
Tulsa MSA AA	25	5.85	3.41	4.00	20.85	12.00	40.81	20.00	34.92	64.00	0.14	0.82	0.09	0.11	0.15

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: OKLAHOMA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015							
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	3	60.00	5.75	0.00	41.65	100.00	33.55	0.00	19.05	0.00	1.53	0.00	3.17	0.00	0.00
<b>Limited Review:</b>															
Tulsa MSA AA	2	40.00	10.21	0.00	34.52	100.00	30.28	0.00	24.99	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi-Family Units is the number of multi-family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multi-family loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: OKLAHOMA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015						
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	814	92.19	5.34	4.55	19.87	20.39	38.38	43.49	35.26	31.57	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Tulsa MSA AA	69	7.81	5.33	5.80	23.46	21.74	33.93	34.78	37.28	37.68	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS			Geography: OKLAHOMA				Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015									
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Oklahoma City MSA AA	13	100.00	1.89	0.00	14.91	0.00	49.21	84.62	33.87	15.38	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Tulsa MSA AA	0	0.00	2.05	0.00	18.73	0.00	49.06	0.00	30.16	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2015).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: OKLAHOMA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	444	97.16	21.31	5.72	17.75	17.91	20.56	21.89	40.38	54.48	0.60	0.23	0.47	0.45	0.79
<b>Limited Review:</b>															
Tulsa MSA AA	13	2.84	21.08	9.09	17.89	9.09	20.41	18.18	40.61	63.64	0.03	0.13	0.00	0.00	0.05

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 9.6% of loans originated and purchased by bank.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: OKLAHOMA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	457	75.91	21.31	11.58	17.75	17.59	20.56	25.84	40.38	44.99	3.41	3.56	3.25	3.40	3.45
<b>Limited Review:</b>															
Tulsa MSA AA	145	24.09	21.08	4.14	17.89	16.55	20.41	33.79	40.61	45.52	4.43	1.64	3.93	6.03	4.35

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.3% of loans originated and purchased by bank.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: OKLAHOMA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Oklahoma City MSA AA	402	94.15	21.31	6.93	17.75	16.07	20.56	20.22	40.38	56.79	1.12	1.39	1.01	1.12	1.13
<b>Limited Review:</b>															
Tulsa MSA AA	25	5.85	21.08	0.00	17.89	0.00	20.41	6.25	40.61	93.75	0.09	0.00	0.00	0.00	0.16

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 11.7% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: OKLAHOMA			Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Oklahoma City MSA AA	821	92.25	80.00	58.59	68.09	19.00	12.91	0.00	0.00
<b>Limited Review:</b>									
Tulsa MSA AA	69	7.75	79.98	50.72	63.77	20.29	15.94	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 6.40% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: OKLAHOMA			Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Oklahoma City MSA AA	13	100.00	97.38	100.00	76.92	23.08	0.00	0.00	0.00
<b>Limited Review:</b>									
Tulsa MSA AA	0	0.00	97.44	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: OKLAHOMA				Evaluation Period: SEPTEMBER 5, 2012 TO JULY 10, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Oklahoma City MSA AA	3	1,609	237	3,701	240	5,310	81.76	1	732
<b>Limited Review:</b>									
Tulsa MSA AA	3	537	14	622	17	1,159	17.84	1	18
<b>Broader Statewide Area</b>									
With Potential to Benefit AA	1	26	0	0	1	26	00.40	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: OKLAHOMA				Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Oklahoma City MSA AA	97.88	22	95.65	9.09	9.09	40.91	40.91	1	1	0	0	0	0	5.53	24.04	41.65	28.68
<b>Limited Review:</b>																	
Tulsa MSA AA	2.12	1	4.35	0.00	0.00	0.00	100.00	0	1	0	0	0	1	6.08	25.32	38.22	30.37

**Table 1. Lending Volume**

LENDING VOLUME		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Phoenix MSA AA	100.00	140	22,333	409	90,481	1	249	21	59,758	571	172,821	100.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from September 05, 2012 to July 10, 2016.

\*\*\* Deposit Data as of May 31, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: ARIZONA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>														
Phoenix MSA AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00

\* Loan Data as of December 31, 2015. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2013 to December 31, 2015.

\*\*\* Deposit Data as of May 31, 2016. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME	Geography: ARIZONA		Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015	
Assessment Area (2015):	Other Unsecured Consumer Loans*		Other Optional Loans*	
	#	\$ (000's)	#	\$ (000's)
<b>Full Review:</b>				
Phoenix MSA AA	0	0	0	0

\* The evaluation period for Optional Product Line(s) is from January 01, 2013 to December 31, 2015.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: ARIZONA										Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Phoenix MSA AA	19	100.00	3.66	0.00	21.50	5.26	38.07	36.84	36.77	57.89	0.01	0.00	0.00	0.01	0.01	

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: ARIZONA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015					
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% Owner Occ Units***	% BANK Loans* ***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Phoenix MSA AA	73	100.00	3.66	2.74	21.50	13.70	38.07	42.47	36.77	41.10	0.82	1.30	1.08	0.86	0.70

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Phoenix MSA AA	45	100.00	3.66	2.22	21.50	4.44	38.07	28.89	36.77	64.44	0.01	0.00	0.00	0.01	0.01

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: ARIZONA								Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015					
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Phoenix MSA AA	3	100.00	15.31	33.33	37.48	66.67	28.73	0.00	18.49	0.00	0.34	0.00	0.78	0.00	0.00

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Phoenix MSA AA	406	100.00	6.39	17.73	15.86	15.02	31.04	19.46	46.22	47.78	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Phoenix MSA AA	1	100.00	5.72	0.00	17.23	100.00	34.66	0.00	42.07	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2014).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families <sup>1</sup>	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Phoenix MSA AA	19	100.00	21.18	0.00	17.76	26.67	20.47	13.33	40.59	60.00	0.00	0.00	0.01	0.00	0.01

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 21.1% of loans originated and purchased by bank.

<sup>1</sup> Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: ARIZONA						Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015								
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid
<b>Full Review:</b>																
Phoenix MSA AA	73	100.00	21.18	5.71	17.76	20.00	20.47	21.43	40.59	52.86	0.87	0.86	1.05	0.69	0.89	

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 4.1% of loans originated and purchased by bank.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: ARIZONA				Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015									
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Phoenix MSA AA	45	100.00	21.18	0.00	17.76	10.81	20.47	24.32	40.59	64.86	0.01	0.00	0.00	0.02	0.02	

\* Based on 2014 Peer Mortgage Data -- US and PR

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2010 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 17.8% of loans originated and purchased by bank.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: ARIZONA				Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015			
Assessment Area:	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Phoenix MSA AA	409	100.00	72.56	41.08	42.05	29.58	28.36	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2014).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 3.91% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ARIZONA			Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Phoenix MSA AA	1	100.00	94.47	100.00	0.00	100.00	0.00	0.00	0.00

\* Based on 2014 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2014).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: ARIZONA				Evaluation Period: SEPTEMBER 5, 2012 TO JULY 10, 2016			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Phoenix MSA AA	1	570	26	1,037	27	1,607	100.00	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: ARIZONA																	
Evaluation Period: JANUARY 1, 2013 TO DECEMBER 31, 2015																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Phoenix MSA AA	100.00	6	100.00	16.67	16.67	16.66	50.00	0	1	0	1	0	0	8.18	24.70	36.00	30.95